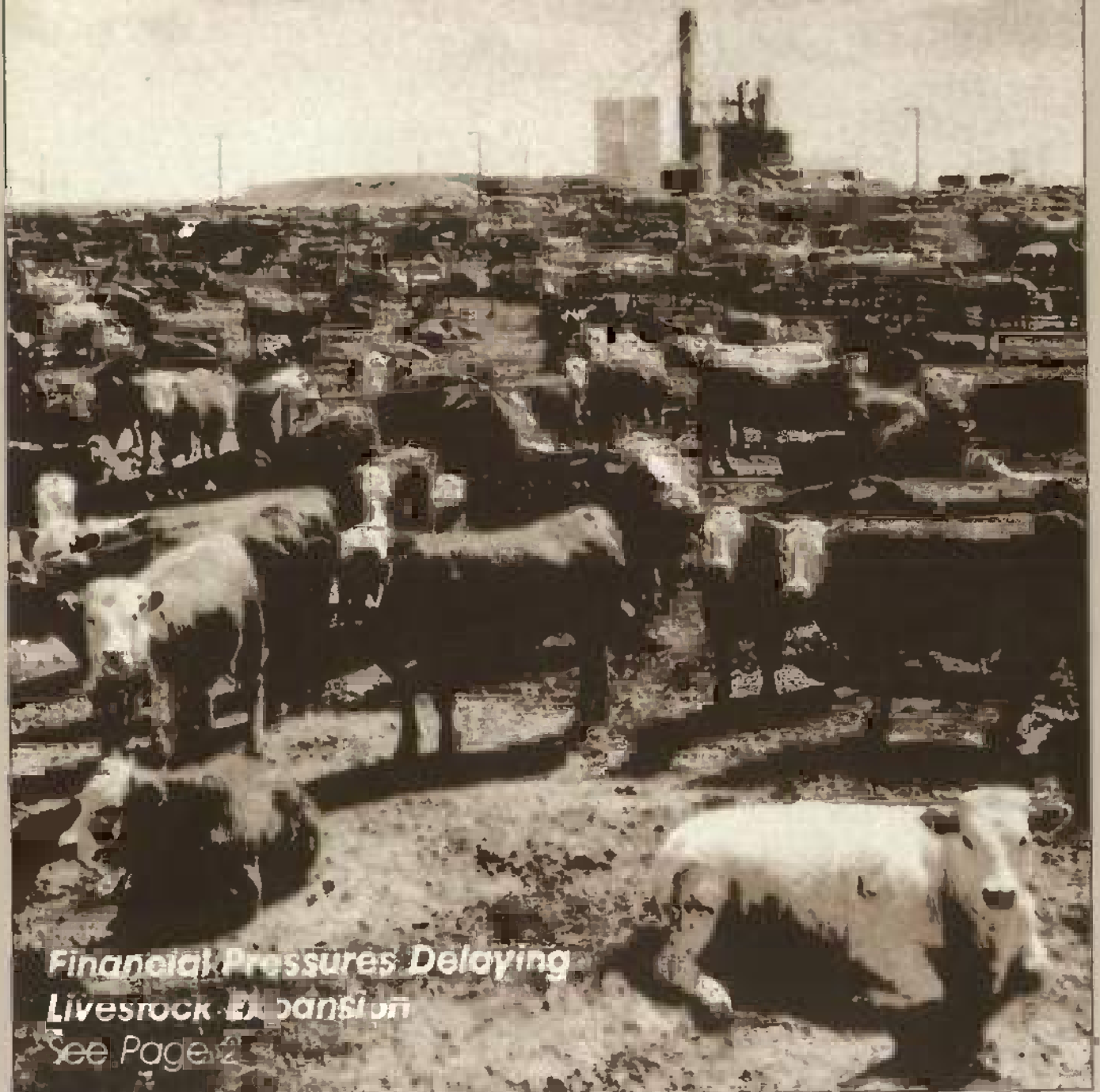


AGRICULTURAL OUTLOOK

November 1982

• Economic Research Service
United States Department of Agriculture

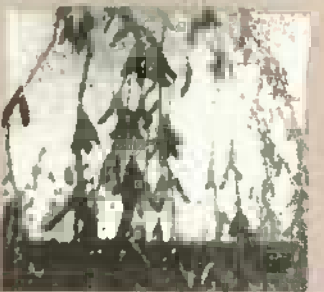


*Financial Pressures Delaying
Livestock Expansion*

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AGRICULTURAL OUTLOOK

November 1982/AO-82



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Contents of this report have been approved by the World Agricultural Outlook Board, and the summary was released November 4, 1982. Materials may be reprinted without permission. *Agricultural Outlook* is published monthly, except for the January/February combined issue. Price and quantity forecasts for crops are based on the October 13 and 22 World Agricultural Supply and Demand Estimates.

Annual subscription: \$31.00 U.S., \$38.50 foreign. A 25-percent discount is offered on orders of 100 copies or more to one address. Order from the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402. Make check payable to Superintendent of Documents. Allow 6 to 8 weeks for delivery.

The next issue of *Agricultural Outlook* (AO-83) is scheduled for release on December 17, 1982. If you do not receive AO-83 by January 4, 1983, call the Economics Editor or use the "Sound Off" sheet on inside back cover (be sure to enclose your mailing label).

In Brief. . . News of the Livestock Industry, Farm Finances, and World Oilseeds

Agricultural Economy

Economic conditions unfavorable to farmers have now persisted so long that normal cycles in livestock production are being delayed. Livestock prices have risen this year because total red meat and poultry output is falling 3 to 4 percent. However, these strong prices, particularly for hogs—at a time of low feed costs—have not yet prompted producers to increase their breeding herds as in earlier cycles. The major influence appears to be financial, as lenders have grown more cautious about extending credit when profits can't be hedged. Currently, futures prices for hogs and fed cattle are too low for farmers to ensure profits by selling contracts for future delivery.

Farm Income Update

Forecasts of most 1983 farm financial indicators have not changed much since September. Gross farm income is expected to rise 1 to 2 percent, as rising livestock receipts and direct Government payments offset declining crop cash receipts. However, larger production expenses will offset these income gains, leaving net farm income near the middle of the \$17 to \$21 billion range. Neither cash expenses nor cash income will likely change much in 1982, so net cash income will remain near the 1981 level.

The now-familiar list of problems facing farmers—weak demand, large crop supplies, and historically high interest rates—continues to strain the agricultural sector. Although general interest rates are declining, farmers will not see significantly lower bank loan rates for some months. Likewise, while a very moderate recovery in the general economy is still expected, its delay continues to pressure demand for farm products.



The cumulative effects of 3 years of low farm income are raising loan-delinquency rates. But how widespread are the serious cases? Information is now available from a mid-year Farm Credit Survey of the American Bankers' Association. The survey of approximately 1,000 bankers, which reflects their perception of farm financial conditions in their lending areas, reveals that over 95 percent of farmers are managing well enough to have their commercial bank financing continued. But a substantial proportion are reaching practical credit limits, meaning that the banks would not expand their lines of credit.

World Agriculture and Trade

World oilseed output for 1982/83 is forecast at a record 184 million metric tons—up 7 percent from the 172 million produced last season. Of this total, soybean production represents more than half. World production of soybeans is projected to reach 97.9 million tons, pushed up mainly by a 15-percent gain in U.S. output, which accounts for over 60 percent of the world soybean harvest. U.S. soybean acreage rose this year as some producers substituted soybeans for grains. Because of the dominant position of U.S. soybeans in the world market, prices in the world oilseed complex are not likely to increase until U.S. soybean supplies decline.

General Economy

A weak recovery from the recession is now expected within the next 3 to 6 months. The chief aids to recovery will be the recent sharp declines in interest rates and the associated stock- and bond-market rallies; however, several months will pass before these events stimulate recovery. Also, because consumers increased their saving rate this summer while paying off debts, their balance sheets have improved enough to allow for increased spending when confidence returns.

For 1983, real GNP and disposable personal income are forecast to grow 1.5 to 3.5 percent, with unemployment averaging 9 to 10 percent. Inflation is forecast at 4.5 to 6.0 percent, while the prime interest rate is expected to average 12 to 14 percent.



Agricultural Economy

FOCUS ON LIVESTOCK:

Production Cycles Delayed

Economic conditions unfavorable to farmers have now persisted so long that normal cycles in livestock production are being delayed. Livestock prices have risen this year because total red meat and poultry output is falling 3 to 4 percent. The drop in meat output reflects the largely negative profit margins from mid-1979 through early 1982. In 1981, hog producers reduced their foundation herds, and cattle feeders placed fewer animals on feed—typical responses to low prices. However, this year's strong prices—at a time of low feed costs—have not yet prompted producers to increase their breeding herds as in earlier cycles.

Futures prices for next year are reinforcing farmers' caution. Currently, prices for hogs and fed cattle are too low for farmers to ensure profits by selling contracts for future delivery. In the past, however, livestock producers responded more to current profits than to indicators of future prices. The major influence appears to be financial, as lenders have grown more cautious about extending credit when profits can't be hedged.

Though Most Livestock Operations Now Profitable...

With large 1982 crops following last year's record harvests and with only moderate growth in demand, prices for feed grains and high-protein meal are

sharply lower than a year ago. Corn at the farm is now about \$2 a bushel, while soybean meal is selling for \$160 a ton at Decatur. Last fall, corn was about \$2.40 and soybean meal about \$185. Two years ago, farm prices were about \$3.10 for corn and \$240 for soybean meal. Such a drop in prices has been bad news to crop farmers, but it has helped to reduce or hold down production costs of livestock and poultry producers.

A similar comparison of hog prices shows the opposite trend. In late summer and early fall, hogs were selling for \$57 to \$63 per cwt. Last fall, they were about \$42, and in the fall of 1980 they were \$46. The traditional rough measure of profitability in hog production—the hog-corn price ratio—is currently about 28 to 1, up from 19 to 1 last fall. Thus, hogs returned a profit this summer and early fall as a result of lower feed costs and higher hog prices. While prices for fed cattle are not much changed from last fall, reduced feed costs have meant many cattle feeders are in the black, or at least covering cash costs. However, feeder cattle prices remain depressed, and cow slaughter in mixed crop-livestock areas remains large.

... There's Little Evidence of Expansion...

But livestock producers are not yet taking the necessary steps to significantly boost output in the near future. Hog slaughter remained high through the summer as producers continued to market gilts rather than retaining them for the breeding herd—a reflection of farmers' serious financial problems.

Although cattle feeders have been increasing placements in recent months and there are more cattle on feed than a year ago, the number of cattle in feedlots is still well below the levels of a few years ago. Many feeders have opted for shorter feeding programs. Meanwhile, stockers have culled heavily this year and continued to sell their feeder cattle, despite above-average grazing conditions and lower prices. Cow slaughter was up 10 percent

through September 1982 and has remained unusually large so far this fall. Cow slaughter has been especially large in cropping areas, suggesting that farmers are trying to offset low crop receipts by culling their least productive animals, or even liquidating their cattle herds.

The midyear cattle inventory was 1 percent smaller than a year earlier, including 4 percent fewer beef cows and 2 percent fewer beef heifers being held for herd replacement. Cow slaughter rose 8 percent from a year ago this summer. This interrupted the uptrend in the inventory cycle that began in 1980. Broiler producers have increased production only slightly, even though pork output has dropped substantially.

... As Producers Remain Cautious

There is usually a lag between the time animal prices turn up and when producers respond, but the current lag appears longer than usual and the response more timid. Hog farmers have indicated that fall farrowings would be down 11 percent from a year earlier and that early spring farrowings will drop 4 percent. Weekly market data still give no solid evidence that either sow or cow slaughter is falling off enough to support additions to the breeding herd. Also, the number of chicks placed in broiler houses during January-September was the same as last year, and the broiler laying flock has been reduced.

Hog futures still are only in the low \$50's for next summer and well below \$50 by late 1983. Futures prices of fed cattle are too low to protect a profit in the first half of next year. Since bankers use futures prices as a barometer of next year's markets, they have shown little enthusiasm for expanding loans to livestock feeders. Also adding to lenders' caution is the recent decline in land values; the prospect of further declines is reducing farmers' borrowing capacity.

Even though farmers are currently returning a profit in many of their livestock operations, the pessimistic price outlook displayed in the futures markets, historically high real interest rates, and a high debt burden are restraining livestock expansion plans, as producers improve cash flow. (Don Seaborg (202) 447-8376)

Prime Indicators of the Agricultural Economy

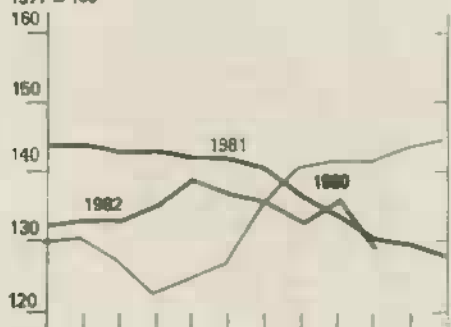
Prices paid by farmers¹

1977 = 100



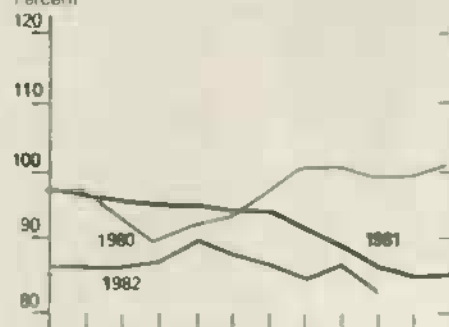
Prices received by farmers²

1977 = 100

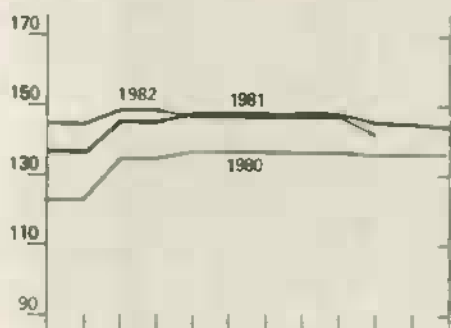


Ratio of prices received to prices paid

Percent



Fertilizer prices

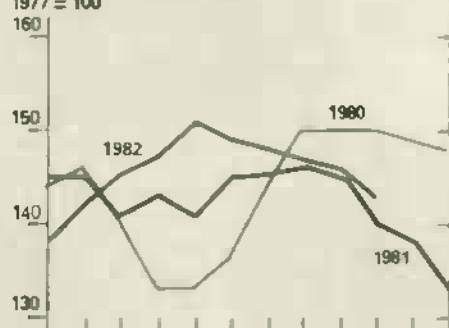


All crops



Livestock and products

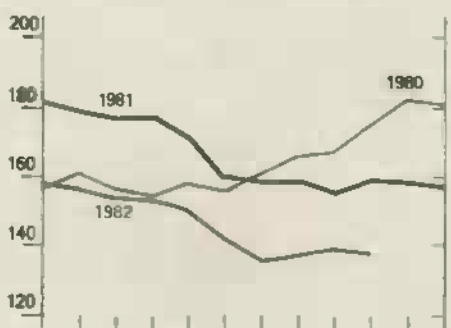
1977 = 100



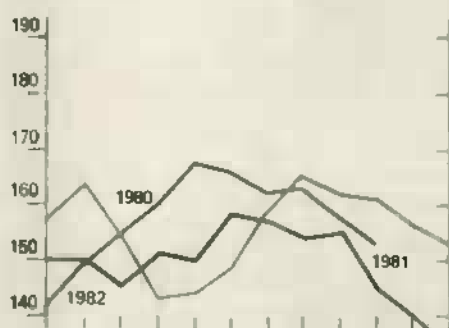
Agricultural chemicals



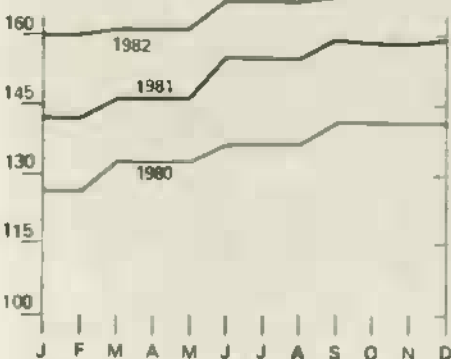
Food grains



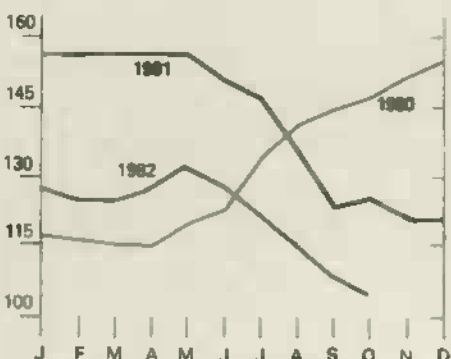
Meat animals



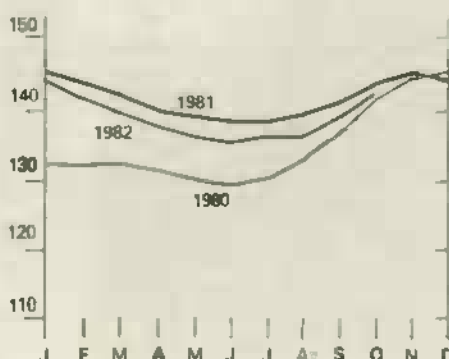
Tractors and self-propelled machinery



Feed grains and hay



Dairy products



¹For commodities and services, interest, taxes, and wages

All series except "Ratio of Prices Received to Prices Paid" are indexes based on 1977 = 100.

²For all farm products

LIVESTOCK HIGHLIGHTS

Cattle

Beef production this summer increased 3 percent from a year earlier and more than 7 percent from spring. Cattle slaughter also rose 4 percent from a year ago, while weights stayed near the low spring and year-earlier averages. However, slaughter weights rose sharply at the end of the quarter, from 615 pounds in July to 629 in September, placing downward pressure on cattle prices. Despite large feedlot marketings, favorable rates of gain raised slaughter weights.

In the 13 major cattle feeding States, the number of cattle placed on feed during the summer rose 11 percent from a year ago, but was about unchanged from 1980. Feedlot marketings increased 6 percent. The number of cattle on feed on October 1 was 7 percent above the 1981 level. The larger feedlot inventory was due entirely to a 22-percent increase in the number of heifers on feed, as the number of steers on feed was unchanged. The larger number of heifers reflects the poor financial situation of many producers and indicates that fewer heifers are being saved for the breeding herd, particularly in the eastern half of the country where the beef herd is being reduced. Fed cattle marketings this fall are expected to rise 8 percent.

Cow slaughter rose 8 percent from a year ago this summer and was 10 percent above a year ago through September. Through September, slaughter was sharply above a year earlier in the Lake States-Eastern Corn Belt (19 percent), Southeast (16 percent), and Pacific Northwest (16 percent). These are areas where cattle raising supplements crop production. Because of low crop prices, cow herds are being closely culled or liquidated to improve cash flow and repay loans. Cow slaughter outside these regions increased nearly 5 percent. However, in the Central and Southern Great Plains, where cattle are a more important source of producers' income, cow slaughter remains near the 1981 levels.

Beef imports have been large this spring and summer. However, in late summer, voluntary restraint agreements were signed by the major meat exporters. These agreements are expected to hold the annual total slightly

below the trigger level, which is 75 million pounds above the 1981 import level. Fourth-quarter imports, however, will be 15 percent less than last year.

Cattle prices weakened rapidly in late summer as slaughter and slaughter weights rose sharply. Prices for Choice fed steers at Omaha declined from the mid-\$60's in July and August to the mid-\$50's in early October. Feedlot marketings were becoming more current in late October and early November, and prices may rise above \$60 again. Prices are expected to average between \$61 and \$64 this fall, with the highest coming later in the quarter, as supplies of competing meats decline seasonally. Prices may average \$64 to \$69 in the first half of 1983. Economic recovery and growth in consumer incomes will be necessary for prices to reach the upper end of this range.

Prices for yearling feeder steers at Kansas City averaged \$66.53 during the summer. However, in early October, prices declined to the low \$60's as fed cattle prices dropped and cattle feeders became more cautious. With expected increases in fed cattle prices and with corn prices staying below \$2 a bushel in many areas, demand for feeder cattle should rise once the fall harvest is completed. Prices for yearling feeder cattle are forecast to average \$65 to \$70 through next spring. [Ron Gustafson (202) 447-8636]

Hogs

Despite the October drop in hog prices, producers continue to make a profit. Feed costs have fallen sharply, and other costs have risen only slightly. However, current data suggest that producers are not increasing the breeding herd.

The lack of expansion reflects the need to sell gilts for cash flow to reduce debts and finance current operations. Since most hog producers also produce corn, they need additional funds for harvesting expenses in the fall. Therefore, producers are not expected to begin rebuilding the breeding herd until after the corn harvest ends in late November.

Commercial pork production for the third quarter totaled 3,239 million pounds, down 11 percent from last year. The lower production, along with smaller frozen supplies, brought about higher prices. Barrow and gilt prices at the seven markets averaged \$61.99 per cwt, 23 percent above last year and a record high.

Fourth-quarter slaughter will be drawn largely from the September 1 inventory of hogs weighing 60 to 179 pounds, which was down 12 percent from a year ago in the 10 quarterly reporting States. Last year producers were liquidating the breeding herd, but they may begin rebuilding it this year. Herd rebuilding may further diminish the number of hogs available for market. Also, inventories probably declined more in the nonreporting States than in the reporting States. So, commercial slaughter may drop 17 to 19 percent from last year.

Hog prices may average \$58 to \$60 per cwt during the fourth quarter. In October, prices averaged about \$57 per cwt. Prices should strengthen in November and December as production declines seasonally.

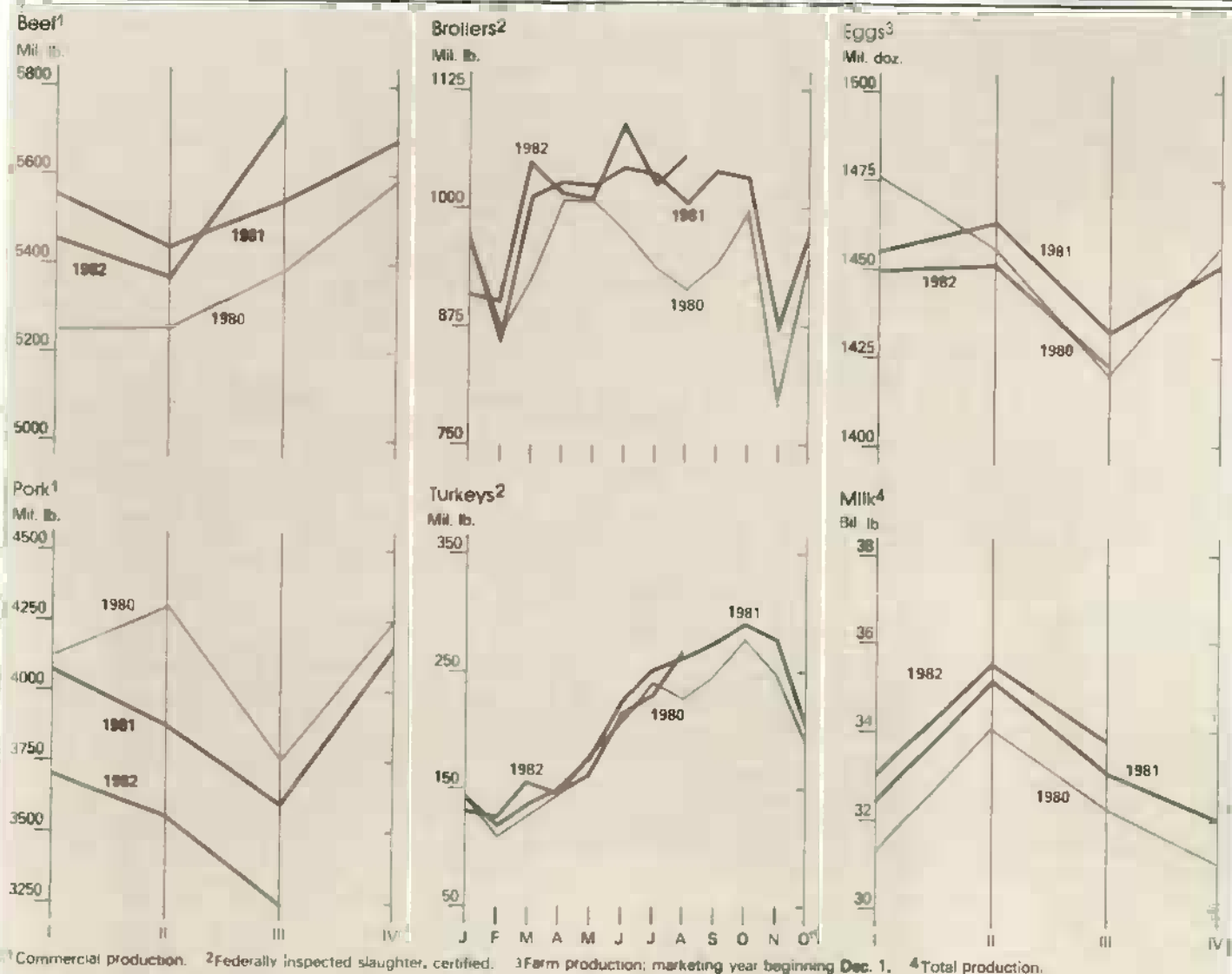
Commercial slaughter in the first quarter of 1983 is drawn mostly from the September 1 inventory of hogs weighing under 60 pounds, which was also 12 percent below a year earlier. Therefore, slaughter is projected to be 10 to 12 percent below last year, when harsh weather further reduced marketings. Hog prices are expected to average \$58 to \$62 per cwt this winter. [Leland Southard (202) 447-8636]

Dairy

During the third quarter, milk production increased 2.3 percent from a year earlier. The milk cow inventory was up 101,000 head (less than 1 percent), and output per cow increased 42 pounds (1.4 percent). For 1981/82 (October-September), milk production totaled 134.3 billion pounds, a 2-percent increase from a year earlier.

With a record-large number of dairy-herd replacements per 100 milk cows available on July 1, the herd is expected to remain larger than a year earlier through most of 1983. In addition, the milk-feed price relationship is expected to continue to favor heavy concentrate feeding. Thus, year-over-year gains in output per cow are expected. As a

Supplies Update: Livestock and Products



result, this year's production will be about 2 percent above the record 132.6 billion pounds in 1981. Gains in production seem likely through most of 1983—with output for the year up 1 to 3 percent.

Net purchases (delivery basis) by the Commodity Credit Corporation totaled 13.8 billion pounds (milk equivalent) in 1981/82, 9.4 percent above the previous year's record. On a product-weight basis, 382 million pounds of butter, 599 million of cheese, and 954 million of nonfat dry milk were purchased. Milk-equivalent purchases in 1982/83 are expected to be about 11 to 17 billion pounds. (Suzanne Dash and Cliff Carman (202) 447-8636)

Turkeys

Turkey production in the fourth quarter is expected to be larger than in the third—a shift from last year. Turkey meat output in the third quarter dropped about 3 percent from last year. Fourth-quarter output may about equal last year's level, because additional poults were hatched late in the season. If producers have a profitable second half, as now appears likely, turkey meat output in 1983 may increase 3 percent from this year.

Cold storage stocks of frozen turkey on October 1 were 17 percent below last year's 532 million pounds. Since stocks are not excessive and production is down, turkey prices are expected to strengthen during the remainder of the year.

Wholesale prices for 8- to 16-pound hen turkeys in New York averaged 65 cents a pound in the third quarter, up from 63 cents last year. Prices should strengthen seasonally in the fourth quarter and may average 66 to 70 cents, sharply above last year's 55 cents. If turkey output expands about 3 percent, prices in 1983 may average 62 to 68 cents a pound, up from 61 to 63 cents this year. (Allen Baker (202) 447-8636)

Eggs

During June-August, egg production was 1,422 million dozen, down 1 percent from a year earlier. With a smaller number of replacement layers, producers have been keeping their hens in the flocks longer. This practice is expected to continue, reducing egg production through first-half 1983 by about 1 percent from a year earlier. If domestic demand and exports strengthen, production could increase slightly in the last half of 1983.

During September-November, egg prices will likely average 68 to 70 cents a dozen, down from 77 cents last year. During December 1982 to November 1983, prices of cartoned eggs in New York may average 67 to 73 cents a dozen, down from 70 to 71 cents a year earlier. The expected continuation of sluggish foreign demand will likely weaken egg prices early in 1983, holding them below the strong levels of early 1982. *[Allen Baker (202) 447-8636]*

CROP HIGHLIGHTS

Feed Grains

Large "free" supplies of corn and expectations of a record crop are keeping farm prices for feed grains under pressure. Only about a fourth of the projected 8.3-billion-bushel (211.2 million metric tons) corn crop was produced on acreage in compliance with the feed grain program for 1982 and, therefore, eligible for regular or farmer-owned reserve loans. This leaves large supplies of corn needing an outlet through regular markets.

A survey of corn stocks on October 1 showed almost 2.4 billion bushels in inventory, about 200 million above expectations. Unusually low feed use during June-September raised stocks. The forecast of feed use of corn during 1982/83 has been lowered by 200 million bushels to 4.2 billion. The combination of dampened expectations for feed use, higher carryover stocks, and limited export growth means total use of corn will likely fall short of production by 1 billion bushels. This would boost stocks on October 1, 1983, to 3.3 billion bushels—triple the level of only 2 years earlier. Reflecting this supply imbalance, farm prices of corn during 1982/83 are expected to average \$2.20 to \$2.40 a bushel—below both the loan rate of \$2.55 and last season's average of \$2.45.

Sorghum and barley producers' participation in the feed grain program was relatively high—45 and 46 percent of the base, respectively. Consequently, free supplies for these grains are not particularly burdensome. However, the large supplies of corn available at low prices will likely hold down free-market prices for sorghum and barley. Corn's share of the total amount of feed grains fed is projected to remain about the same as last year's 82 percent.

With record yields, world production of coarse grains is expected to increase slightly in 1982/83. Use may rise almost 2 percent but will not match output. Therefore, world stocks may expand 20 percent. Most of the buildup will occur in the United States because of the record crop and sluggish domestic and export demand.

After a slight decline in 1981/82 (July-June), world trade may drop about 2 million metric tons this year. Better crops, stagnant livestock sectors, and foreign-exchange constraints are limiting many countries' imports. The forecast for Soviet coarse grain imports has been reduced to 23 million tons, a tenth below 1981/82. Soviet imports were low during July-September, and grain purchases on the world market have been below expectations. East European imports are now forecast at 5.4 million tons, down from 7.2 million in 1981/82 and 10.7 million in 1980/81.

Imports by the developed countries may decline about 4 percent. Spanish barley production recovered in 1982, and EC imports of coarse grains will likely decline for the sixth straight year.

The developing countries' imports are expected to rebound in 1982/83. Severe drought devastated Mexico's corn crop, and large corn and sorghum imports will be needed. However, because of Mexico's financial situation, the import volume is highly uncertain.

Export supplies are expected to remain large in all our major competitors except Australia. However, the total foreign availability may be down, boosting the U.S. share of world trade from last year's disappointing 59 percent to around 64 percent. *[Larry Van Meir (202) 447-8776 and Sally Byrne (202) 447-8857]*

Wheat

The supply of wheat for 1982/83 will be the largest ever—almost 4 billion bushels (108.2 million metric tons). Because export prospects have weakened slightly since last month, total use is now forecast at 2.6 billion bushels (69.8 million tons), about 2 percent below last season's record. With supplies up and use down, stocks on June 1, 1983, could climb to 1.4 billion bushels, about 250 million above a year earlier. About two-thirds of the carryover will likely be in the farmer-owned reserve. This summer's low prices pushed reserve entries above earlier expectations.

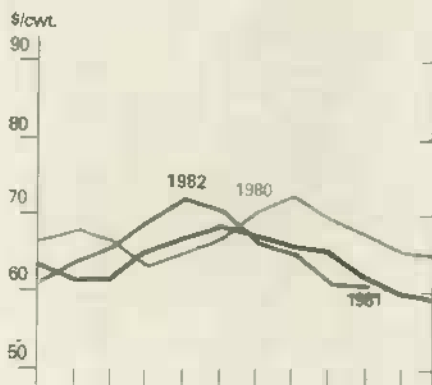
Reflecting the large supply, farm prices have been the lowest in 4 years and will likely average below last season's \$3.65 a bushel. As a result, a 15-percent acreage-reduction program plus a 5-percent paid diversion will be in effect for the 1983 wheat crop.

Global wheat production in 1982/83 will likely be virtually the same as last year's record. Increased output is forecast for the United States, Canada, the United Kingdom, West Germany, East Germany, Turkey, Argentina, and Hungary. On the other hand, Australia's drought-reduced crop is expected to be only half of last year's level. To free supplies for export commitments, Australia may have to import small quantities of wheat for domestic use. The forecast of Soviet production is unchanged from last month and remains the lowest since 1975/76. With global consumption the same as last year, world stocks will edge higher, with all of the increase held in the United States.

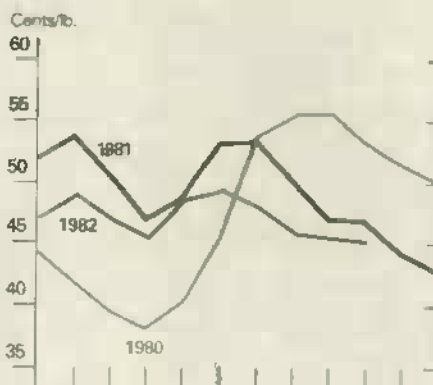
Recent developments in the wheat market point toward lower global trade than earlier forecast, partly because of the slow pace of Soviet grain imports. Because of larger crops, Canadian and Argentine export forecasts were raised by 500,000 metric tons each, offsetting

Commodity Market Prices: Monthly Update

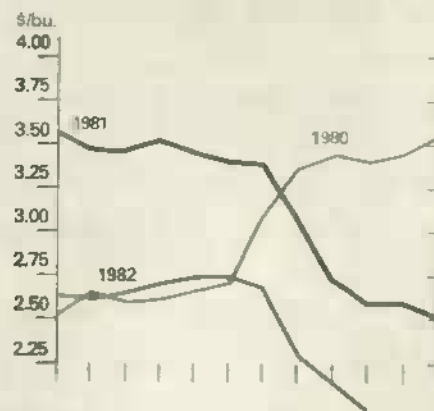
Choice steers¹



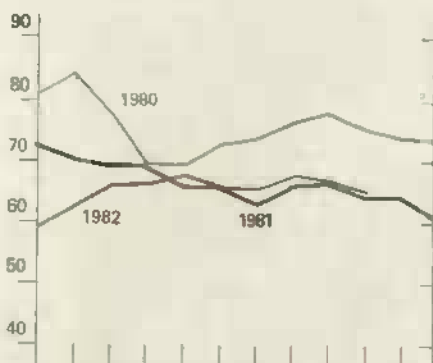
Broilers⁴



Corn⁶



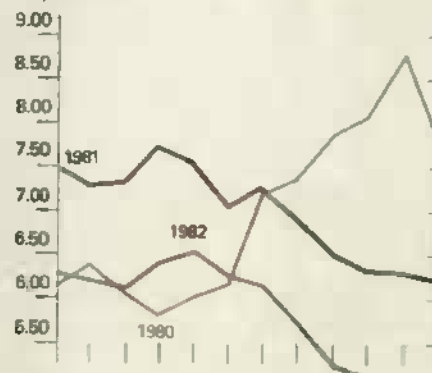
Choice feeder cattle²



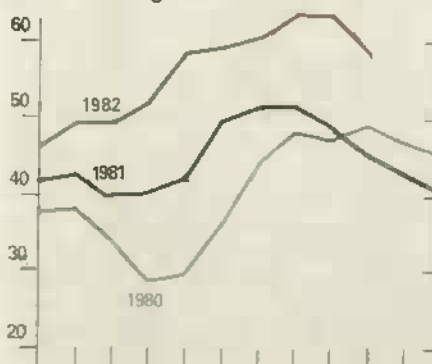
Eggs⁵



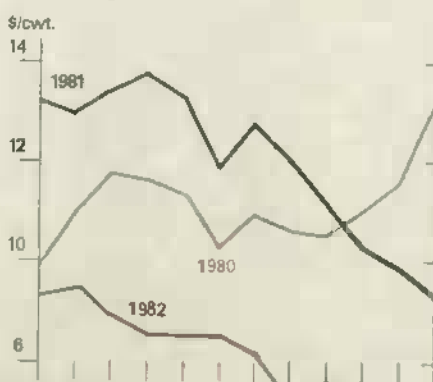
Soybeans⁷



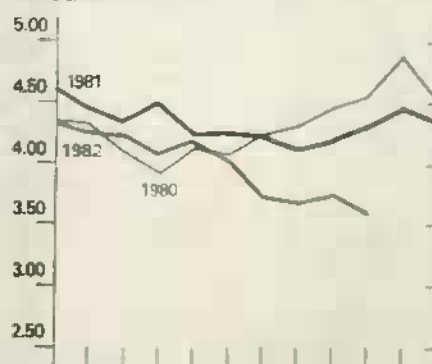
Barrows and gilts³



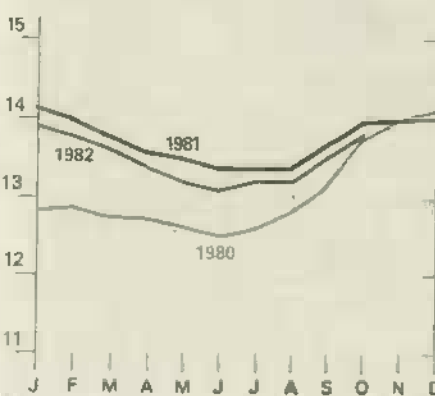
Rice (rough)



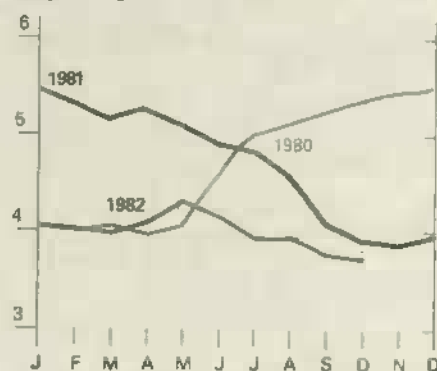
Wheat⁸



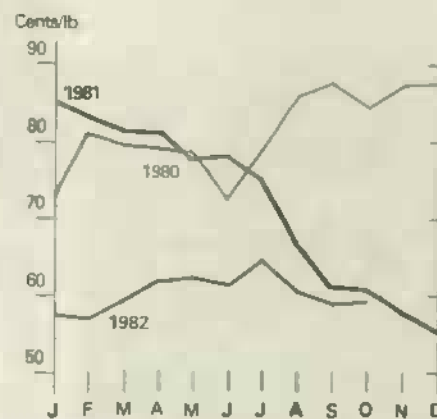
All milk



Sorghum grain



Cotton⁹



Prices for most recent month are mid-month prices.
¹Omaha. ²600-700 lbs., Kansas City. ³27 markets.

⁴Wholesale, New York. ⁵Grade A Large, New York.

⁶No. 2 Yellow, Chicago. ⁷No. 1 Yellow, Chicago.

⁸No. 1 HRW, Kansas City.

⁹Average spot market, SLM, 1-16."

a 500,000-ton reduction in the Australian forecast. The decrease in global imports and increase in foreign export availabilities have reduced the U.S. export forecast by 2.5 million tons, to 46 million. U.S. shipments, as well as outstanding sales, are below last year's record. [Allen Schienbein (202) 447-8444 and Bradley Karmen (202) 447-8879]

Oilseeds

As of October 1, 1982, U.S. soybean production was forecast at 2.3 billion bushels (62.6 million metric tons), 15 percent above 1981. This output, combined with beginning stocks of 268 million bushels on September 1, gives a record-large supply of 2.57 billion bushels (69.9 million tons) for 1982/83, 5 percent more than the previous record set in 1979/80.

U.S. soybean exports are forecast at 960 million bushels in 1982/83, up from last season's record-high 929 million. The European Community (EC) is the key market for U.S. soybeans, taking about 45 percent of U.S. exports last year. Although the stronger dollar has offset some of the decline in U.S. soybean prices, EC crushings are still projected to increase 7 percent, because the expected lower soybean/corn price ratio in the Community favors meal feeding.

Domestic processors are expected to crush 1.09 billion bushels of soybeans this season, 60 million more than in 1981/82. The crush would be 42 percent of U.S. supplies, compared with 44 percent last season. This season's low soybean prices and large supplies should permit some recovery in crushing margins.

Total soybean use is forecast at 26 million short tons for the new season, 6 percent above 1981/82. Domestic use, at 18.1 million tons, would be 3 percent above last season, while exports, forecast at 7.8 million, would be 12 percent higher. Continued strong demand for soybean oil could push U.S. use to nearly 9.8 billion pounds, 3 percent above last season. Oil stocks may continue to decline slightly.

U.S. soybean prices are expected to average \$150 to \$175 a ton in 1982/83, down from \$183 last season. The season-average oil price should be between 16 and 20 cents a pound, with the most likely price being only slightly below last season's 19 cents.

Soybean prices are already feeling the weight of prospective record ending stocks—430 million bushels. From August's average of \$5.59 a bushel, farm prices fell to \$5.22 a bushel in September and then to \$5.03 by mid-October. In early October, prices of No. 1 yellow soybeans in Central Illinois slipped below \$5 a bushel, but returned to slightly above \$5 by late October. The season-average farm price for 1982/83 is forecast between \$5.25 and \$6.00 a bushel, down from \$6.05 last season. Adjusted for inflation, soybean prices may be the lowest since 1969/70.

To be competitive with corn and cotton grown under acreage reduction programs in 1983, soybean prices would have to rise substantially. Since such a price rise is unlikely, soybean acreage will likely decline somewhat next year, but probably not by enough to restore soybean stocks and real prices to more normal levels.

World oilseed production for 1982/83 is forecast at a record 184 million metric tons, down 0.8 million from a month earlier, but 12.3 million above 1981/82. An almost 9-percent increase in Malaysia's palm oil production is not included in this forecast. Therefore, with high beginning stocks of major seeds and oils, world supplies are forecast at an unprecedented level.

How successfully lower priced oilseed products expand their market share relative to their competitors—other feedstuffs, animal fats, and petrochemicals—will strongly affect oilseed consumption this year. Economic growth will also influence demand, especially for vegetable oil. Moreover,

growth in U.S. and EC livestock sectors will likely lag behind general economic activity, dampening expansion in total feed demand. With lower prices, consumption of oilseed products should expand, but at a slower rate than production, pushing 1982/83 ending stocks to a record level. [Sam Evans (202) 447-8776 and Ed Allen (202) 382-9820]

Rice

On October 1, U.S. rice production was forecast at 156 million cwt, down 1 percent from last month's forecast because of lower expected yields. Despite this 16-percent decline from last year, 1982 production remains the second highest on record.

The 1982 rice supply is expected to be nearly 206 million cwt, down slightly from last month's forecast, but still a record. The forecast for 1982/83 domestic use remains unchanged at 62.5 million cwt, but export prospects have been lowered to 82.7 million cwt—only slightly above last year's disappointing 82.1 million.

The drop in exports is entirely due to prospects of improved production in South Korea. It is unlikely that Korea will take more than the 300,000 tons of the 1981 crop left to be shipped under an earlier agreement. No other large markets exist for U.S. short- or medium-grain California rice. In contrast, our major competitor, Thailand, is continuing to increase export sales by using favorable pricing policies.

With total use forecast at 155 million cwt, ending stocks will likely increase to 50 million cwt. Record supplies, huge stocks, and dim prospects for export expansion all point to depressed prices, with the season-average price for rough rice expected to be between \$7.50 and \$8.75 per cwt. It is becoming increasingly doubtful that the average price for August-December will be above the loan rate of \$8.14 per cwt, making a maximum deficiency payment of \$2.71 per cwt likely.

Foreign production is expected to fall about 2 percent this year, with the biggest drops in India and Thailand because of the poor monsoon. Despite depressed production, Thai rice supplies are still large enough to allow expanded exports. Most other major producers or traders, except for the United States and Pakistan, are forecast to have increased production.

Foreign consumption and ending stocks will likely fall, especially in India. With larger-than-expected crops in the major importing countries, such as South Korea and Indonesia, world trade may continue depressed, and total exports may fall for the second straight year. [Barbara A. Claffey (202) 447-8444 and Eileen Manfredi (202) 447-8912]

Cotton

As of October 12, the U.S. cotton crop was forecast at 11.4 million bales, about 3 percent above last month's projection. The rise mainly reflects a 6-percent increase in the Delta States, where the weather has been favorable. The average U.S. yield this season is forecast at a record 587 pounds an acre, 44 above last year.

Although this year's crop is expected to be 27 percent below the 1981 harvest, last season's large stocks probably won't be drawn down. Total use is placed at 11.6 million bales in 1982/83, down 0.2 million from last season—a drop that about matches the decrease in supplies. So, with the drop in use and high beginning stocks offsetting the decrease in production, stocks on August 1, 1983, could be about the same as this August—6.6 million bales.

U.S. cotton exports during 1982/83 are forecast at 6 million bales, 0.3 million below last month's projection and 0.6 million less than in 1981/82. By late October, U.S. export commitments—exports plus outstanding sales—were around 3 million bales, 1 million below a year earlier. At this time a year ago, China had purchased over 0.8 million bales, but their purchases this season are still negligible.

Cotton prices reflect the dampened export outlook and prospects for continued large stocks. During September and October, spot prices averaged about 58.5 cents a pound, about 2 cents below the 1981/82 average. This season's loan rate is 57.1 cents a pound.

Foreign production is expected to be just above last year's record. Declines in Mexico, Central America, and Egypt will offset increases in China, the Soviet Union, and Pakistan. Foreign consumption is expected to be up 2 percent, but down 400,000 bales (less than 1 percent) from the previous projection. World trade will likely be sluggish and could fall a million bales short of the 20 million reached during the last 2 years. However, although U.S. exports are forecast down from last year and may fall below the 1980/81 level, the U.S. share of world trade will probably remain high—around one-third—because of poor crops in some competitors, such as Mexico. [Keith Collins (202) 447-8776 and Eileen Manfredi (202) 447-8912]

Tobacco

The October 1 forecast for total U.S. tobacco output was 1.93 billion pounds, down 6 percent from 1981 because acreage was lower. The August estimate (the latest available by type of tobacco) showed that declines in flue-cured acreage and yield more than offset increases for burley. Stocks going into the 1982/83 marketing year were placed at 3.54 billion pounds, about 8 percent higher than a year earlier.

Flue-cured sales began on July 21. By November 1, almost all of the tobacco had been marketed, with 26 percent placed under price-support loan. Seasonal sales averaged \$1.76 a pound, about 7 percent above the previous year. With lower production and smaller average price increases for nearly all grades, flue-cured cash receipts will likely decline from last year. Net receipts will drop even more because of higher production costs.

USDA has instituted an excess-poundage carryover program for the 1982 flue-cured crop. Under the program, producers can make arrangements with the Flue-Cured Tobacco Cooperative Stabilization Corporation to process and store their excess production. This saves them from having to store unprocessed tobacco on the farm, which exposes it to insect infestation and quality deterioration.

The program has been adopted because provisions of the no-net-cost legislation eliminated fall leasing (quota leasing during the marketing season) for flue-cured tobacco. Before the enactment of the legislation, producers were allowed to lease an additional quota if their tobacco production exceeded 110 percent of the effective marketing quota (the maximum amount of tobacco that can be sold without penalty). [Verner N. Grise (202) 447-8776]

Peanuts

As of October 1, U.S. peanut production was forecast at 3.42 billion pounds (farmers' stock basis), 14 percent below last year's record, but 48 percent above the drought-reduced crop of 1980. The indicated yield per acre of 2,668 pounds is slightly below 1981. Peanut acreage for harvest this year is 1.28 million, down 14 percent from last year because of expected weaker demand and reduced quotas.

Domestic use of peanuts for food was up 17 percent in 1981/82 (August-July) because of the larger supply. For the same reason, food use is expected to increase again this year. Last season, all major use categories were higher.

Peanut crushings climbed 28 percent in 1981/82. Meanwhile, exports rose by about 15 percent, but they were still substantially below pre-1980 levels.

Farm prices for all grades of peanuts averaged 26.0 cents a pound during October, compared with 26.6 cents a year earlier. Supplies available for export are exceeding demand, leading to lower prices this year. [Verner N. Grise (202) 447-8776]

Vegetables

The 1982 fall potato crop is forecast at 307 million cwt, up nearly 4 percent from last year, with increased acreage offsetting a slight drop in yield. Output is higher in the Western and Central States, while poor growing conditions caused a smaller crop in the Eastern States.

The higher production and stable nature of potato use will lower the season-average grower price to \$4.00 to \$4.50 per cwt, from \$5.41 during 1981/82. Through mid-1983, retail prices of tablestock potatoes will probably be 10 to 20 percent below a year earlier. Prices for frozen potato products in the coming year are uncertain. Although frozen stocks on October 1 were about a tenth higher than last year's low holdings, some processors increased their list prices early that month. Net disappearance of frozen potatoes between July 1 and October 1 was up sharply from last year, indicating some strength in demand. However, with large supplies of potatoes available for processing, price rises should be moderate through next spring.

Per capita potato consumption totaled 115 pounds (fresh-weight equivalent) in 1981, compared with 118 during 1980. A 3-1/2-pound rise in processed potato consumption (to 65-1/2 pounds) was not offset by a 6-1/2-pound decline in tablestock use (to 49 pounds, the second lowest on record). Between 1970 and 1981, per capita consumption has ranged from 113 to a record 124 pounds (in 1979), averaging 118 pounds. In general, processed potato use has been stable over the past decade, while tablestock consumption has varied with the size of the crop. This contrasts with the 1960's, when processed consumption (mostly frozen potato products) rose 130 percent, while tablestock use declined a third.

A record yield and larger acreage made this year's sweetpotato production the biggest since 1965. This year's crop is placed at 14.6 million cwt, up 14 percent from last year. Relatively favorable prices over the past 2 years

spurred the larger area, while excellent growing conditions increased yields. Because of the large crop, 1982/83 grower prices will average sharply lower—between \$8 and \$11 per cwt—compared with last season's \$13.60. During October, growers received an average price of \$6.23 per cwt, down more than 40 percent from last year and the lowest since late 1976. [Michael Stellmacher (202) 447-7290]

Fruit

Prospects on October 1 indicate a citrus crop of 13.6 million tons (excluding California grapefruit grown outside of the desert valley area), 13 percent more than last season, but still 9 percent below 1980/81. A substantially larger orange crop is chiefly responsible. Larger crops are also forecast for lemons, limes, tangerines, and Temples, but smaller crops are indicated for grapefruit and tangelos.

Florida orange production is forecast at 143 million boxes, 14 percent above last season's freeze-damaged crop. At 63 million boxes, the California crop is 47 percent more than last year. Crop prospects are up 8 and 4 percent in Arizona and Texas, respectively.

With a larger Florida orange crop and higher juice yield, an increased output of most processed items—particularly frozen concentrated orange juice (FCOJ)—is expected for 1982/83. If imports of FCOJ continue heavy and sales do not strengthen, the relatively large supply of FCOJ may keep prices from rising.

Because of sharply larger supplies of California navel oranges, retail prices of fresh oranges will decline from current highs. In addition, increased supplies of apples could further weaken orange prices.

As of October 1, U.S. grapefruit production was forecast at 64 million boxes in 1982/83, 6 percent below last season and virtually the same as the 1981 crop. Florida's grapefruit crop, at 44 million boxes, is 9 percent less than last season. The Texas outturn will be down 3 percent, while crops in California and Arizona are expected to be up 14 and 8 percent, respectively, from last season.

Even with a smaller crop, early-season f.o.b. prices for Florida grapefruit have averaged sharply below last year. The big orange crop and large stocks of most processed grapefruit products will likely hold down grapefruit prices. However, if export markets improve with the world economic recovery expected in 1983, good demand might strengthen prices somewhat.

The Arizona-California lemon crop is forecast at 28.5 million boxes, 15 percent more than last season, but 9 percent less than the 1980/81 record. F.o.b. prices for fresh lemons have averaged moderately below last season and will decline further as the year progresses. The season-average price is expected to be below last year's high level. [Ben Huang (202) 447-7290]

Sugar

The estimate of world cane-sugar output in 1981/82 has been revised to almost 63.4 million metric tons (raw basis)—about 2 million above the previous estimate. Beet sugar output is still estimated at 36.6 million tons (raw basis). Thus, last year's total world sugar production, at nearly 100 million tons, was 13.3 percent larger than in 1980/81—far surpassing the previous record of 92.5 million in 1977/78.

Consumption is still placed at 91 million tons, so a surplus of about 8.5 million tons probably occurred last year. This means that the current season is starting with global sugar stocks of over 31 million tons—almost 34 percent of consumption and a heavy drag on prices.

Production could decline 1 to 3 million tons in 1982/83. Even so, output is likely to exceed sugar use, further building world stocks. No price relief can be expected until 1983/84, when sugar use might overtake production.

The world price for raw sugar (f.o.b., Caribbean) was 6.0 cents a pound on October 25, down about a cent from the September average and another cent from August. For 1982, prices are expected to average 8.5 cents—about half those of 1981.

Prices for U.S. raw sugar averaged 20.9 cents a pound in September, down from 22.4 cents the previous month, reflecting the substantial quantities of sugar expected in the new quota period starting October 1, as well as new supplies from the U.S. sugar beet harvest. The price was 20.6 cents a pound on October 25.

A market stabilization price (MSP) of 20.73 cents a pound for raw sugar has been announced for the 1982/83 loan program. An MSP of 19.88 cents had been set for the purchase program that ended in September. With market prices staying above the 19.88-cent MSP, no sugar ended up in the Commodity Credit Corporation's inventory.

U.S. sugar production in 1982/83 could be only 5.6 million short tons, 1/2 million tons or 8.1 percent below last season—the result of a big drop in beet sugar output. Sugar beet acreage is 15 percent less than last season, with half that decline in California. Sugar beet yields are lower than last year's record, but still better than average. Poor weather has lowered yields in the Great Plains (Colorado, Wyoming, Montana, and Nebraska). U.S. sugar beet production is forecast 22 percent below last season. Beet sugar output will probably be 2.79 million tons (raw basis), compared with 3.29 million last season.

Cane sugar output in 1982/83 will likely be about the same as last season's 2.8 million tons. A record harvest in Florida is compensating for declines in Louisiana and Hawaii. Sugarcane yields have risen, more than making up for a decrease in acreage.

U.S. sugar production is projected at 4.9 to 5.5 million tons in 1983/84, depending on yields. Beet sugar output is forecast at 2.4 to 2.8 million

tons. However, output could be sharply lower if a contract dispute between a major sugar-processing company and sugar beet growers leads to plant closings. Cane sugar output is likely to decline next year, ranging between 2.5 and 2.7 million tons.

U.S. caloric sweetener consumption could fall about 1.8 pounds per person in 1982, down to 123.7 pounds. Sugar deliveries are off about 5 percent this year, down to a forecast 9.2 million tons. Consumption of high fructose corn sirup is up about 16 percent to around 3.1 million tons (dry basis), but not enough to balance the drop in sugar. The economic recession and greater diet consciousness are possible factors behind the drop in overall sweetener use. [Robert Barry (202) 447-7290]

Upcoming Situation Reports

USDA's Economic Research Service will issue the following situation reports this month:

Title	Summary Released
Export Outlook*	Nov. 29
Sugar & Sweetener	Dec. 7
Tobacco	Dec. 9
World Crop Production*	Dec. 10
Ag Supply & Demand*	Dec. 13
Dairy	Dec. 14
World Agriculture	Dec. 15
Fertilizer	Dec. 16
Agricultural Finance	Dec. 17

All reports are reviewed by the World Agricultural Outlook Board (WAOB). Copies of the full reports will be available a week to 10 days after the summary is released. Reports available through subscription only. For subscription information, write or call: EMS Information, Rm. 440 GHI Bldg, 500 12th St. SW, Washington, D.C. 20250 (202) 447-8590. *These reports, released by the WAOB, are issued in full on the date indicated.



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The following reports are available FOR SALE ONLY from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402. Order by report title and number. Make checks payable to Superintendent of Documents. Prices subject to change. For further information call (202) 783-3238.

Sweden's Agricultural Policy. FAER-175. 34 pp. Price: \$4.25.

Progress of Solar Technology and Potential Farm Uses. AER-489. 120 pp. Price: \$5.00.

Livestock and Meat Statistics: Supplement for 1981. SB-522. 168 pp. Price: \$6.50.

Farm Real Estate Market Developments. CD-87. 32 pp. Price: \$4.50.

The Food Service Industry: Structure, Organization, and Use of Food, Equipment, and Supplies. SB-690. 168 pp. Price: \$6.50.

Northern Great Plains Coal Mining: Regional Impacts. AIB-452. 48 pp. Price: \$5.00.



Farm Income Update

FARM INCOME UPDATE

Forecasts of most 1982 farm financial indicators have not changed much since September. Gross farm income is expected to rise 1 to 2 percent, as rising livestock receipts and direct Government payments offset declining crop cash receipts. However, larger production expenses will offset these income gains, leaving net farm income near the middle of the \$17 to \$21 billion range. Neither cash expenses nor cash income will likely change much in 1982, so net cash income will remain near the 1981 level.

Moderation in input prices combined with reduced input use should hold the 1982 increase in total production expenses to about 1 to 3 percent. Total cash expenses (excludes depreciation, perquisites to hired labor, and operator dwelling expenses) will rise even less—possibly only 1 percent—after climbing nearly 9 percent last year. Market interest rates have been falling recently, but the decline will not significantly affect farm-sector interest expenses until 1983; 1982 interest outlays will likely rise 12 to 14 percent from last year.

Selected Farm Financial Indicators

	1978	1979	1980	1981	1982F
\$ Bil.					
Income Variables					
Cash marketing receipts ¹ . . .	112.5	131.7	139.5	143.5	140-144
Cash production expenses . . .	81.7	97.6	106.6	115.8	115-119
Net cash income ²	35.3	38.0	35.3	29.5	27-31
Net cash flow ³	38.9	44.6	38.5	38.0	35-39
Total production expenses . .	100.6	119.0	130.5	141.6	142-146
Net farm income	26.7	32.3	20.1	25.1	17-21
Off-farm income	28.7	33.8	36.6	39.3	39-43
Disposable personal income of the farm population	41.3	46.6	39.9	44.7	40-44
Dollars					
Family income per farm ⁴ . . .	22,732	27,214	23,350	26,456	24,000-26,000
Real disposable income per farm	11,302	11,780	9,269	9,385	8,000-9,000
Balance Sheet Variables					
\$ Bil.					
Real estate assets ⁵	598.3	691.4	760.0	756.0	700-740
Non-real estate assets ⁶	183.5	213.2	223.3	227.6	220-260
Total liabilities ⁷	127.2	147.5	163.1	181.6	192-202
Total farm sector equity ⁸ . . .	654.6	757.1	820.1	802.0	750-790
Dollars					
Equity per farm ⁴	268,719	311,850	336,973	329,094	310,000-330,000
Selected Analytic Ratios					
Percent					
Debt to asset ⁹	16.3	16.3	16.6	18.5	18-22
Debt to equity ¹⁰	19.4	19.5	19.9	22.6	24-28
Debt to net cash income ¹¹ . . .	361	388	482	615	660-700
Prices received to prices paid ¹²	106	107	97	92	84-88

¹ Including CCC loans. ² Cash receipts used in this series exclude CCC loans. ³ Includes farm and off-farm income. ⁴ Indicator for January 1 of following year and excludes farm households (Jan. 1, 1982 data is preliminary). ⁵ Total debt outstanding (excluding farm households) to net cash income (excluding CCC loans). ⁶ Index of prices received by farmers divided by the Index of prices paid for commodities and services, interest, taxes, and wage rates (1977=100).

Total cash income will likely rise 1 percent or less because of declining cash receipts. Net cash income (excluding net CCC loans), which has declined each year since the 1979 peak of \$38.0 billion, will likely fall to \$29 billion, compared with \$29.5 billion in 1981. Net cash income (including net CCC loans) is still expected to range from \$29 to \$33 billion.

Cash Receipts Forecast Down in 1982

Because of declining crop receipts, total cash receipts from farm marketings will likely fall from last year's level to about \$142 billion. Crop cash receipts are expected to fall 3 to 4 percent to about \$72 billion, despite record marketings and expected heavier use of CCC loans by eligible farmers.

Prices received by crop farmers are expected to average about 10 percent below 1981, with fourth-quarter prices near those reached in 1979. Receipts may drop about 10 percent for food grains and cotton, while declining about 5 percent for oil crops and vegetables. Receipts for feed grains may rise somewhat as large marketings and heavy CCC loan use offset lower prices. Receipts for fruits and nuts will likely rise about 15 percent this year because of strong prices for both citrus and noncitrus fruits.

The decline in crop receipts will be partly offset by a small gain in livestock receipts. Receipts from livestock marketings are forecast to rise nearly 2 percent to about \$70 billion. Prices received for livestock and products are expected to climb 3 percent, more than offsetting a small decline in marketing volume. Hog receipts will rise about 12 percent, cattle receipts about 1 percent. Receipts for poultry and eggs will likely slip about 4 percent this year, the first decline since 1974. Cash receipts from marketings of dairy products will likely remain near last year's level, as lower wholesale milk prices offset larger milk marketings.

Direct Government Payments Rising

Direct Government payments to farmers are expected to total near \$4.0 billion in 1982, more than double the \$1.9 billion level attained last year. Direct payments in the first half of 1982 totaled about \$1.3 billion, but second-half payments could reach about \$2.7 billion. Deficiency payments to wheat and barley farmers for the 1982 crop will add about \$600 million to the 1982 total. Advance payments under the 1982 feed grain, cotton, and rice programs could add over \$650 million. Farmer-owned reserve storage payments will contribute over \$750 million to farm cash flow.

Advance payments for 1983 deficiency and cropland-diversion programs are expected to shift \$500 million or more in direct Government payments from calendar 1983 and 1984 to the fourth

quarter of 1982. Considerable uncertainty underlies forecasts of advance payments for participation in the 1983 wheat, feed grain, cotton, and rice programs. The amount will depend on the level of early signups this fall.

During the first 3 weeks of the 1983 program signup period, farmers enrolled 200,000 base acres under the upland cotton program and 8.7 million acres each under the wheat and feed grain programs. Of the base acres enrolled, advance payments were requested for 78 percent of the cotton acreage, 74 percent of the wheat acreage, and 62 percent of the feed grain acreage.

Several factors will influence farmers' early program signup and, thus, the amount of advance payments made this fall: 1) farmers are weighing program benefits against anticipated returns from marketing their crops; 2) prices could rise next year, forcing farmers to refund money (plus interest if they decide against complying with the program); and 3) with tax rates scheduled to fall 10 percent next July, some farmers may be waiting until 1983 to sign up, placing the advance payments under 1983's lower tax rates. How farmers weigh these factors against their cash-flow needs this fall will determine the level of early payments made during the final quarter of 1982.

Prices Paid Moderate As Inflation Slows

Like the general inflation rate, farm input prices have risen more slowly this year. Prices paid for production items, interest, taxes, and wage rates in 1982 are expected to rise just 3 percent, after climbing an average of 11 percent for the past 3 years. This year's increase would be the smallest since 1968, when the index rose 2 percent.

Prices paid for feed have fallen about a tenth this year in response to lower prices for corn, soybean meal, and mixed feeds. Large stocks resulting from back-to-back record feed grain crops and large soybean crops—combined with this year's slack export demand—have lowered feed prices.

Prices paid for fuels and energy have also averaged below a year earlier because of recession-depressed demand and abundant supplies. Average prices paid by farmers for gasoline and diesel fuel declined from January through April, but began rising in May. Although prices fell slightly in August, they may strengthen somewhat in the fourth quarter as the home heating season begins. Farm wage rates will remain near those of 1981, while prices paid for fertilizer, seed, building and fencing materials, and feeder livestock will likely average just above last year's levels. Combining these small increases in prices paid with expected reductions in input use leaves the forecast for 1982 farm production expenses at about \$144 billion, up nearly 2 percent.

Despite the recent easing of market interest rates, lags in transmitting these declines to farm lenders and, ultimately, to the average rate on outstanding farm debt will delay most of their impact until 1983. As a result, interest expenses will likely climb to over \$22 billion this year, with average debt outstanding rising about a tenth and the interest rate on all outstanding debt increasing to about 11 percent. Interest expenses may account for over 15 percent of total production expenses this year, compared with 14 percent in 1981, 12 percent in 1980, and 7 percent in 1973.

Financial Indicators Update

When considering the financial welfare of the farm sector, it is important to consider a range of financial indicators, because no single indicator can accurately reflect the farm sector's well-being. Farm income measures, off-farm income, and balance sheet statistics should be considered in concert to give a more complete picture of the sector's financial health. Almost all indicators are reflecting a difficult year for farmers; most income measures are expected to decline, while

debts rise and falling farmland values erode assets. Most of the steep rise in land values in the 1970's, however, has been maintained, with the degree of erosion varying by region.

- **Net cash income.** Net cash income from farming measures the cash available for purchasing capital assets, retiring loans, and operating the farm household. For 1982, net cash income (excluding CCC loans) is expected to range from \$27 to \$31 billion, with the current assessment at \$29.0 billion, down from \$29.5 billion in 1981. Net cash income has declined each year since peaking at \$38.0 billion in 1979.

- **Net cash flow.** Net cash flow measures the change in cash available for household consumption, further business operations, or acquisition of land and buildings.¹ After declining in 1980 and 1981, net cash flow will likely fall again this year.

Declines in net cash income and rental income and a smaller rise in non-real estate loans will more than offset an expected cutback in capital expenditures. These movements will cause cash flow to fall as much as 2 percent this year.

- **Net farm income (before and after inventory adjustment).** Realized net farm income is the residual after farm production expenses have been subtracted from realized gross income (excludes inventory adjustments). Net farm income equals realized net income plus the value of the change in net farm inventories. These indicators attempt to measure the income to farm operators for their labor, management, and capital investment in land and equipment.

Realized net farm income will likely fall for the third straight year. The likely range for this statistic is \$17 to \$21 billion, with the current assessment at \$19.0 billion—down slightly from \$19.6 billion in 1981.

¹For a more complete definition of the farm cash flow accounts, refer to "Economic Indicators of the Farm Sector—Income and Balance Sheet Statistics, 1960", USDA, ERS Stat Bul. No. 674, p. 4.

The value of the change in farm inventories may be close to zero this year, as declining cattle and hog inventories nearly offset increasing crop inventories.² This would leave net farm income about the same as realized net. Thus, the likely range for this statistic is also \$17 to \$21 billion, with the current assessment (based on crop conditions as of October 1) at \$19.0 billion, 24 percent below the \$25.1 billion of last year.

- **Average personal disposable income per farm.** This is perhaps the broadest measure of the well-being of farm families. It includes after-tax income from both farm and off-farm sources, reflects the downward trend in farm numbers, and provides a means for comparing the well-being of families in the farm sector with others. Average disposable income per farm may fall 2 to 4 percent in 1982 from 1981's estimate of \$18,348. After adjustment for inflation, personal disposable income per farm (in 1972 dollars) would total around \$8,500 this year, down from \$9,385 in 1981 and the lowest since 1968. Although personal income from farming will likely decline in 1982, income from off-farm sources may rise 3 to 5 percent, offsetting part of the farm-income decline.

- **Other indicators.** Other important indicators of the farm sector's financial health include the ratios of prices paid to prices received, debts to assets, debt to equity, and debt to income. Figures on cash receipts, farm assets, and farm equity also are useful indicators. For example, although the equity position of many farmers has been temporarily eroded by the effects of a sustained income decline, total farm-sector equity on January 1, 1982, was well above the 1974 level. However, like the farm income statistics, farm-sector equity is still an aggregate statistic and, as such, masks disparities in financial health among individual farmers.

²Inventory change is the difference in the actual physical quantity of farmer-owned stocks (less loan and reserve stocks) between January 1 and December 31 of the same year, valued at the calendar-year average price for each commodity.

Even though the farm sector's debt-to-asset ratio (excluding farm households) is still relatively low, it increased to 18.5 percent on January 1 of 1982 from 16.6 percent a year earlier. This resulted from an 11-percent increase in total farm debt, combined with little increase in total assets. Most of the downward influence on asset values came from a decline in 1981 farmland values. Farmland values may be falling again this year, which would further erode farm sector assets and equity.

The ratio of prices received to prices paid (1977=100) continues to fall. It's forecast to average 86 this year, down from 92 in 1981, 97 in 1980, and 107 in 1979. In the short run, this index generally parallels realized net income, and its current standing indicates that relative price relationships remain unfavorable for the farm sector. (Gary Lucier (202) 447-4190)

FARM FINANCE UPDATE

Bankers Report Deteriorating Financial Conditions

The now-familiar list of problems facing farmers—weak demand, large crop supplies, and historically high interest rates—continues to strain the agricultural sector. Although general interest rates are declining, farmers will not see significantly lower bank loan rates for some months. Likewise, while a very moderate recovery in the general economy is still expected, its delay continues to pressure demand for farm products.

The cumulative effects of 3 years of low farm income are raising loan-delinquency rates. But how widespread are the serious cases? Information is now available from a mid-year Farm Credit Survey of the American Bankers' Association. The survey of approximately 1,000 bankers, which reflects their perception of farm financial conditions in their lending areas, reveals that over 95 percent of farmers are managing well enough to have their commercial bank financing continued. But a substantial proportion are reaching practical credit limits, meaning that the banks would not extend their lines of credit.

Indices of Financial Stress in Agriculture, by Region*

Survey Question	U.S.	North-east ¹	Corn Belt ²	South ³	Plains ⁴	West ⁵
	Percent					
Farm loan volume delinquent 30 days or more.	3.9	3.4	4.0	4.6	3.7	5.0
Farm borrowers who had bank financing discontinued (6/81 to 6/82).	3.3	2.8	2.8	6.4	3.3	3.3
Farm borrowers whom banks anticipate discontinuing (6/82 to 6/83).	4.4	3.5	4.2	7.7	4.5	2.5
Higher than normal.	54.6	51.6	61.6	43.2	55.9	41.7
Lower than normal.	2.6	5.5	1.2	6.8	1.8	1.4
Normal.	42.8	43.0	37.2	50.0	42.3	56.9
If higher, by what percent?	27.6	30.3	38.2	18.4	20.1	15.2
If lower, by what percent?	14.0	3.0	30.0	6.0	14.5	50.0
Farm borrowers loaned-up to practical limit (6/82).	31.9	26.1	27.3	49.0	31.9	40.9
Farm borrowers expected to be loaned-up to practical limit (6/83).	34.8	29.7	31.4	50.4	34.2	41.9
Farmers in bank lending area who went out of business (6/81 to 6/82).	2.2	1.8	1.9	3.9	2.1	2.2
Higher than normal.	62.3	55.4	65.5	74.3	61.1	55.1
Lower than normal.	1.0	0.6	0.4	2.7	1.1	—
Normal.	36.8	43.8	34.1	23.0	37.8	44.9
If higher, by what percent?	16.7	18.6	17.9	13.4	15.4	18.6
If lower, by what percent?	0.8	—	—	1.0	0.7	—
Of those who went out of business, categorized as:						
Voluntary liquidation.	56.8	64.1	52.5	44.8	58.2	68.2
Forced liquidation.	27.5	23.4	30.9	35.5	26.0	18.5
Creditor foreclosure.	12.6	11.2	13.8	16.3	11.1	12.5
Other.	3.1	1.2	2.8	3.4	4.7	0.8
Farmers in bank lending area who went through bankruptcy (6/81 to 6/82).	0.75	0.37	0.73	1.60	0.81	0.47
Higher than normal.	48.8	42.1	54.1	76.5	45.7	28.3
Lower than normal.	1.8	0.9	0.4	2.0	2.7	5.0
Normal.	49.4	57.0	45.5	21.6	51.6	66.7
If higher, by what percent?	24.8	19.8	24.4	34.9	25.1	16.6
If lower, by what percent?	1.0	—	—	1.0	—	—
Percent of banks reporting no bankruptcies.	46.2	48.1	40.5	29.2	52.0	57.4

¹CT, DE, DC, ME, MD, MA, MI, MN, NH, NJ, NY, PA, RI, VT, WI

²IL, IN, IA, MO, OH

³AL, AR, FL, GA, KY, LA, MS, NC, SC, TN, VA, WV

⁴KS, NE, ND, DK, SD, TX

⁵AK, AZ, CA, CO, HI, ID, MT, NV, NM, OR, UT, WA, WY

Source: American Bankers Association 1982 Mid-Year Farm Credit Survey.

By region, problems are most severe in the South, where cotton growers and cash grain farmers are under pressure, and in the Corn Belt, where grain producers face low prices. Although livestock prices are up this year, livestock areas are sharing the financial stress of crop areas. By mid-1983, bankers in beef-feedlot areas expect 39.5 percent of their customers to reach credit limits, compared with 36.4 percent in cow-calf areas and 34.5 percent in crop areas, which excludes fruits and vegetables.

The banks reported an average delinquency rate (percentage of dollar farm loan volume 30 days or more delinquent) of 3.9 percent. This varied, however, by region and by the type of farming in the bankers' lending area. Delinquencies ranged from 3.4 percent in the Northeast to 5.0 percent in the West. Bankers in the South also reported a relatively high rate of 4.6 percent.

Bankers in areas where cotton is the dominant farm commodity registered the highest delinquency rate—5.2 percent. The lowest rate, 3.0 percent, was in areas producing "other" livestock (hogs, sheep and goats). In cow-calf areas, the delinquency rate was 4.5 percent—the second highest by type of farming.

The survey suggests that about 3.3 percent of the banks' farm customers had their financing discontinued between June 1981 and June 1982. Banks in the South put the figure at 6.4 percent, while those in the Corn Belt and Northeast reported only 2.8 percent. In cotton areas, an average of 5.2 percent of bank farm customers were discontinued, while 2.8 percent were turned away in beef-feedlot and "other" livestock areas.

Credit qualification is anticipated to deteriorate further this year, except in the West. Bankers expect the percent of farmers discontinued to reach 4.2 percent in the Corn Belt and 7.7 percent in the South. Overall, bankers expect about 4.4 percent of their farm customers to be discontinued by June 1983.

The percentage of bankers expecting more-than-usual discontinuations next year was highest in the Corn Belt—61.6 percent. Of these bankers, the discontinuation rate is anticipated to be 38.2 percent higher than normal, more than any other region.

Nationwide, 31.9 percent of agricultural banks' farm customers were loaned-up to their practical limit in June 1982—more than in 1980 or 1981. By region, the highest figure was reported in the South, where 49 percent of bank farm customers have reached their maximum debt load. By type of operation, areas where beef feedlots and cotton production predominate reported the highest percentages. Bankers expect even more farmers to be loaned-up by June 1983.

Indices of Financial Stress in Agriculture, by Type of Farming Area*

Survey Question	Feed, Food Crop, Soybeans	Dairy	Cow- Calf	Beef Feed- lots	Other Live- stock	Cotton
	Percent					
Farm loan volume delinquent 30 days or more.	4.0	3.6	4.5	3.4	3.0	5.2
Farm borrowers who had bank financing discontinued (6/81 to 6/82).	3.1	3.4	2.9	2.8	2.8	5.2
Farm borrowers whom banks anticipate discontinuing (6/82 to 6/83).	4.4	4.4	4.0	3.8	7.1	5.7
Higher than normal.	58.5	49.4	46.4	36.2	65.5	73.3
Lower than normal.	1.9	5.9	1.2	4.3	3.4	—
Normal.	39.6	44.7	52.4	59.6	31.0	26.7
If higher, by what percent?	27.6	28.8	31.3	24.4	39.2	23.5
If lower, by what percent?	14.2	17.5	15.0	3.5	1.0	—
Farm borrowers loaned-up to practical limit (6/82).	30.7	25.4	35.0	37.9	27.4	41.2
Farm borrowers expected to be loaned- up to practical limit (6/83).	34.5	27.8	36.4	39.5	30.7	41.3
Farmers in bank lending area who went out of business (6/81 to 6/82).	2.2	1.8	2.3	1.7	1.6	4.8
Higher than normal.	64.9	51.6	59.6	51.2	75.0	78.1
Lower than normal.	0.2	2.2	1.1	—	2.8	—
Normal.	34.9	46.2	39.3	48.8	22.2	21.9
If higher, by what percent?	15.9	18.0	18.3	13.7	20.7	23.4
If lower, by what percent?	—	—	1.0	—	0.5	—
Of those who went out of business, categorized as:						
Voluntary liquidation	55.3	63.5	62.5	58.1	58.4	51.5
Forced liquidation	28.9	23.7	22.7	23.4	24.2	29.0
Creditor foreclosure	12.6	12.1	11.0	12.6	16.2	13.7
Other.	3.2	0.7	3.8	5.9	1.3	5.8
Farmers in bank lending area who went through bankruptcy (6/81 to 6/82).	0.72	0.51	0.92	0.37	0.66	1.7
Higher than normal.	49.5	39.7	49.3	40.5	53.3	58.3
Lower than normal.	1.6	1.4	2.8	2.7	3.3	—
Normal.	49.0	58.9	47.9	56.7	43.3	41.7
If higher, by what percent?	22.5	33.2	29.6	19.3	22.3	25.5
If lower, by what percent?	—	—	—	—	—	—
Percent of banks reporting no bank- ruptcies	45.2	50.0	43.7	51.2	47.1	37.0

*Source: American Bankers Association 1982 Mid-Year Farm Credit Survey.

Nationwide, 2.2 percent of farmers were estimated to have gone out of business during the year ending June 1982. Significant deviations from this average include the South, where 3.9 percent left farming, and cotton production areas, where 4.8 percent went out of business.

Most bankers indicated that more farmers than usual were leaving farming. This is particularly true in the South and the Corn Belt, where 74.3 and 65.5 percent, respectively, said the

number was higher than normal. A large percentage of banks in cash grain, hog and sheep, and cotton production areas reported more farm closings than usual.

The majority of farmers who went out of business did so through voluntary liquidation. In the South, however, most of those leaving farming were forced out of business.

During the year ending June 1982, the highest rates of farm bankruptcy were in the South and in cotton production areas—1.6 and 1.7 percent of farms, respectively. In the rest of the country, the bankruptcy rate was below 1 percent, with the Plains States and the Corn Belt experiencing rates of 0.81 and 0.73 percent, respectively. Banks in cow-calf production areas reported a rate of 0.92.

By region, the majority of banks in the Corn Belt and the South suggest that bankruptcy rates are higher than normal. By type of farming, hog and sheep and cotton production areas identify the same problem. In other parts of the country and in areas specializing in other types of farming, most bankers believe the rate is about normal. [Stephen Gabriel (202) 447-7340]

Upcoming Crop Reporting Board Releases

The following list gives the release dates of the major Crop Reporting Board reports that will be issued by the time the December *Agricultural Outlook* comes off press.

November

- 29 Commercial Fertilizers (Annual)
- 30 Agricultural Prices

December

- 1 Poultry Slaughter
- 2 Egg Products
- 10 Crop Production
- 14 Cattle on Feed
- 15 Potato Stocks
- 21 Eggs, Chickens, & Turkeys
- 22 Small Grains
- Hogs & Pigs
- 28 Farm Numbers
- 29 Vegetables (prelim.)
- Egg Products
- 30 Agricultural Prices

Reports available through subscription only. For subscription information, write or call: Jerry Clampet, SRS-Crop Reporting Board, Rm. 5809-South Bldg., Washington, D.C. 20250 (202) 447-2130.



World Agriculture and Trade

WORLD OILSEED OUTLOOK:

Record Production in Prospect

World oilseed output for 1982/83 is forecast at a record 184 million metric tons—up 7 percent from the 172 million produced last season. Of this total, soybean production represents more than half. World production of soybeans is projected to reach 97.9 million tons, pushed up mainly by a 15-percent gain in U.S. output, which accounts for over 60 percent of the world soybean harvest. U.S. soybean acreage rose this year as some producers substituted soybeans for grains.

In Brazil, planting of the 1983 soybean crop is now underway. For several reasons, no significant change in planted acreage is expected compared with recent years. Because corn now enjoys a slight price advantage over soybeans in Parana and Rio Grande do Sul, acreage intentions for soybeans in these two major producing regions are down from last year. Also, further development of marginal land may be limited because of high production costs. Nevertheless, Brazil's soybean production should significantly exceed the 1981/82 level because of improved yields, assuming normal weather.

Record World Oilseed Production Forecast

	1981/82	1982/83F	Forecast change
	Mil. metric tons		Pct.
Soybeans.	86.2	97.9	+13.6
Cottonseed. . . .	27.8	26.2	-5.9
Sunflowerseed. .	14.3	16.0	+11.9
Rapeseed.	12.5	13.4	+7.3
Peanuts.	18.5	17.7	-4.4
Other.	12.3	12.8	+3.6
Total.	171.7	184.0	+7.2

F = Forecast.

Argentina's soybean acreage is expected to rise significantly as the general expansion of oilseed area continues. More double-cropping of soybeans is also expected.

China and Western Europe have had large gains in rapeseed output. Canada's rapeseed crop will also increase, even though early-frost damage has reduced yields; however, its domestic supply could be tight if exports remain near recent volumes. World sunflowerseed output may rise sharply from the 1981/82 crop, primarily in Western Europe, where price incentives for sunflowerseed were raised by 14 percent. The USSR's sunflower crop may reach 5.3 million tons this year because favorable harvest weather increased yields.

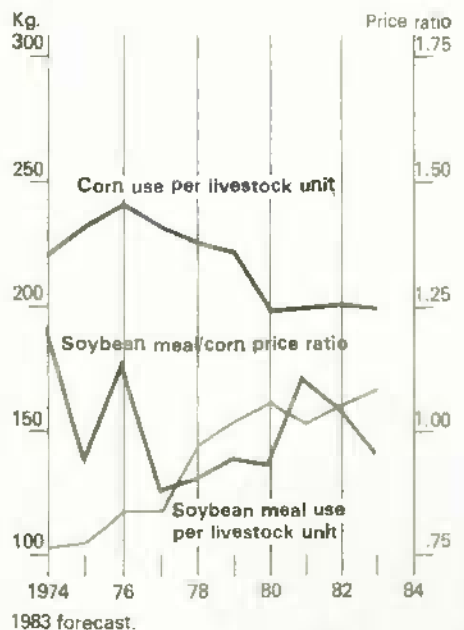
Meal Use To Strengthen In Most Markets

Despite slow economic growth and stagnant livestock industries, world use of soybean meal rose roughly 3 percent in 1981/82—stimulated by sharply lower prices for soybeans and meal. For 1982/83, world soybean meal use is forecast to grow nearly 7 percent; however, this outcome assumes that meal prices will be favorable relative to grains, particularly in the European Community (EC). Lower hog production will hold soybean meal use in the United States to only a 3.5-percent rise

in 1982/83. An expected increase in the amount of soybean meal fed per animal and reduced supplies of cottonseed meal will produce the rise. Foreign use of soybean meal is projected to gain 8 percent, but demand may be tempered by financial constraints.

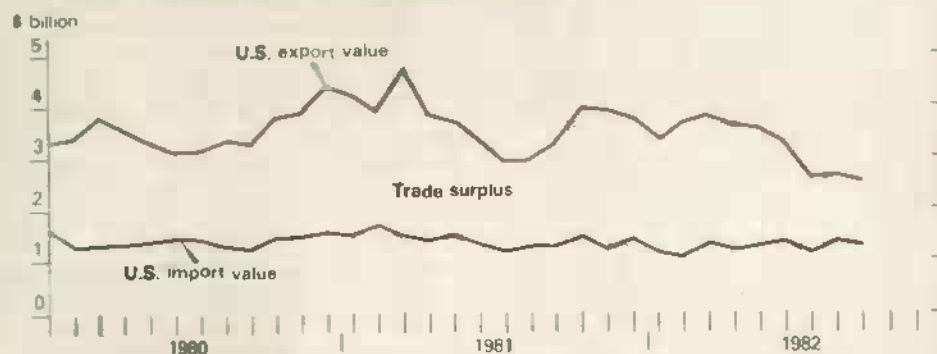
• **European Community.** In the European Community (EC), the world's largest consumer of protein meals, soybean meal use is expected to climb nearly a tenth in 1982/83. EC use will be boosted by a price ratio favoring protein meals over grains. Generally the mix of grains and protein meal in EC livestock rations depends on their relative prices. During 1981/82, depressed soybean prices offset the strength of the dollar. Therefore, the soybean meal-to-corn price ratio favored increased meal use per animal, and total soybean use rose despite a stagnant livestock economy. Some expansion in the poultry sector is expected to offset declines in other EC livestock sectors. In 1982/83, soybean meal could be priced even more favorably than a year ago, based on current price assumptions for soybeans and corn. Thus, greater EC soybean meal use is projected.

EC Using More Meal, Less Corn per Livestock Unit

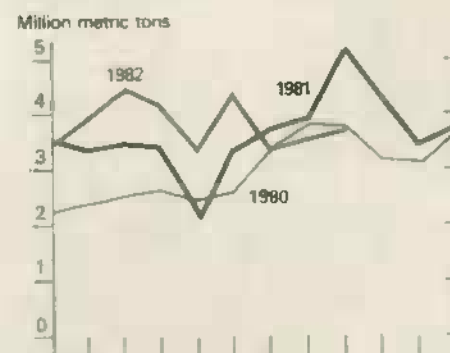


U.S. Agricultural Trade Indicators

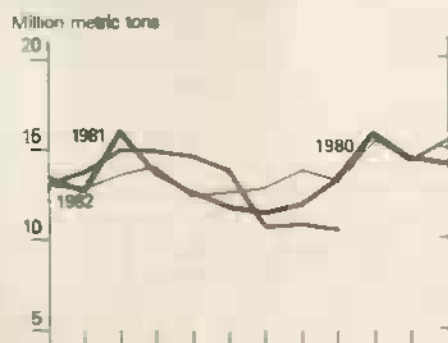
U.S. agricultural trade balance



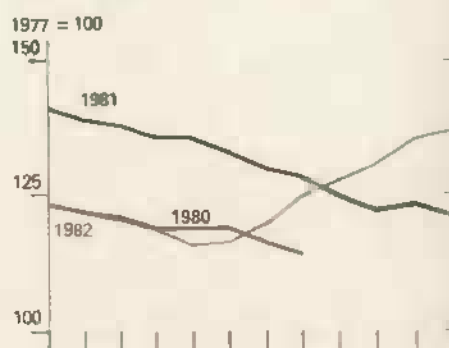
U.S. wheat exports



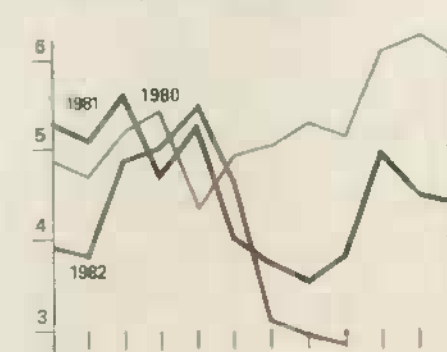
Export volume



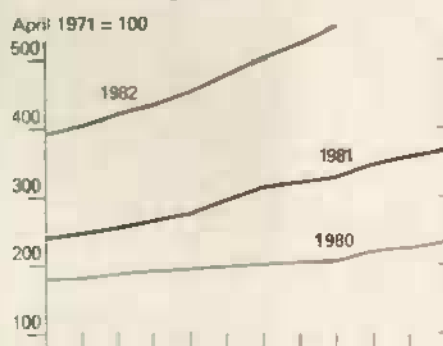
Export prices



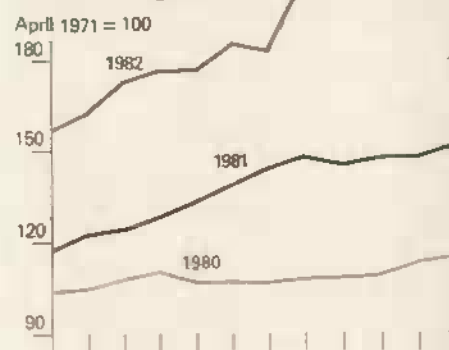
U.S. corn exports



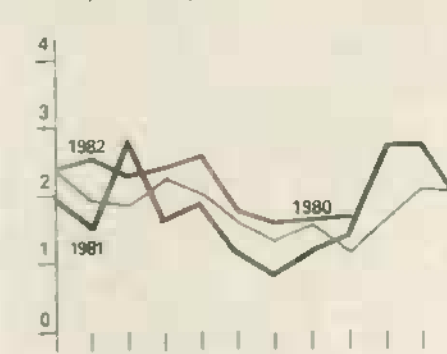
Wheat exchange rate*



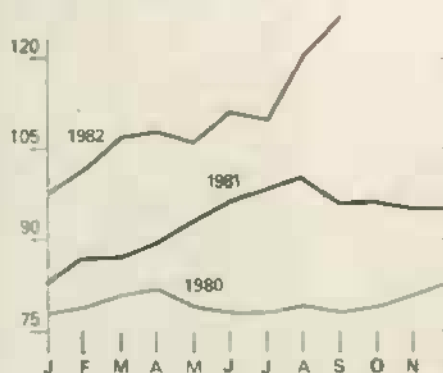
Corn exchange rate*



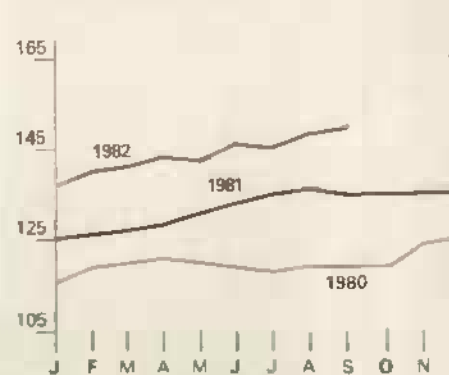
U.S. soybean exports



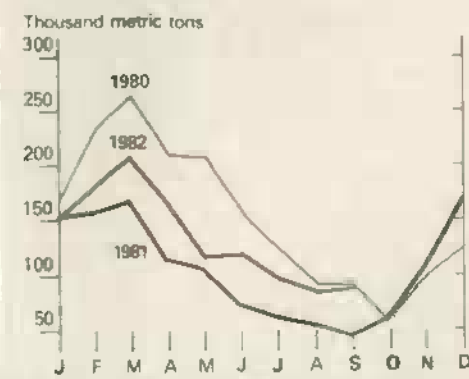
Soybeans exchange rate*



Cotton exchange rate*



U.S. cotton exports



*Foreign currency value of U.S. dollar, weighted by relative size of agricultural trade with the United States. An increasing value indicates that dollar has appreciated against the basket of currencies represented in that particular commodity market.

Soybean Meal Consumption To Rise

	1979/80	1980/81	1981/82	1982/83F	Forecast change
	Mil. metric tons				pct.
EC-10	15.3	14.9	15.5	17.1	+10.3
Japan	3.0	2.9	2.9	2.9	0.0
USSR	1.4	2.0	2.6	2.9	+11.5
Mexico	1.1	1.2	1.3	1.3	0.0
E. Europe	5.1	5.0	4.2	4.4	+4.8
Other	14.6	14.9	15.7	17.1	+8.9
Total Foreign . . .	40.5	40.9	42.2	45.7	8.3
U.S.	17.4	16.0	15.9	16.4	+3.1
World	57.9	56.9	58.1	62.1	+6.9

F = Forecast.

• **Non-EC Western Europe.** Here, protein meal demand will continue to increase, though at a slower rate than in 1981/82. Spain's rapidly expanding poultry and hog sectors, combined with 2 years of drought that sharply cut domestic meal supplies, boosted oilseed imports in 1981/82 by more than a fifth. Although Spain became a sunflowerseed importer in 1981/82, a recovery in crop production will curtail sunflowerseed imports in 1982/83. In Portugal, expanded crushing capacity has raised import demand for oilseeds. Thus, meal imports may be fully replaced by domestic crushing of imported oilseeds this year, even though this would further increase oil stocks.

• **Japan.** Because of its depressed livestock sector, Japan's consumption of soybean meal in 1981/82 declined 1.5 percent. The strong U.S. dollar relative to the yen increased costs of U.S. soybeans to feed manufacturers. At the same time, the Canadian dollar weakened, and rapeseed was more favorably priced. Thus, the share of rapeseed meal in formula feed increased while the share of soybean meal declined.

Japan's soybean meal use is forecast to gain 3 percent in 1982/83, but this will depend on the extent of economic growth and the strength of the dollar. In addition, Canadian supplies of rapeseed may be tighter. U.S. exports of soybeans to Japan are expected to gain modestly.

• **Mexico.** Because of Mexico's financial problems and severe food import requirements, the United States extended \$1.1 billion in credit for farm products. Mexico has requested 600,000 tons of soybeans, 20,000 tons of crude soybean oil, and 500,000 tons of sunflowerseeds. Hurricane Paul damaged a large portion of Mexico's soybean crop, exacerbating the need for imports.

• **USSR.** Because of favorable weather, the Soviet Union's sunflowerseed crop may reach 5.3 million metric tons this year, up from 4.6 million in 1981/82. Soybean imports for 1982 are running ahead of last year, and they may increase about 5 percent next year. Soviet soybean imports for 1983 are now estimated at 2.2 million tons, with soybean meal imports at 1.5 million.

• **Eastern Europe.** Eastern Europe's poor 1982 rapeseed crop is expected to increase demand for imported oilseeds, and its ability to import soybeans is expected to improve this year. In June, Poland purchased 41,000 tons of U.S. soybeans. Poland's purchases from the United States in 1983 will depend on financial resources, as credit will not likely be available. Also, Brazil is expected to extend less credit to Poland next year.

Larger U.S. Exports Projected
U.S. soybean exports for 1982/83 are expected to reach a record 26.1 million tons. Fueling the expansion will be lower prices as well as possible economic recovery in some markets. Until next April, Brazil's exports will be limited by the 1982 crop shortfall.

U.S. exports of soybean meal are forecast at about 7.1 million tons for 1982/83. U.S. exports of soybean oil may increase slightly, though they will face strong competition from West European rapeseed and soybean oil, refined Malaysian palm oil, and, especially during the second half of the marketing year, South American soybean oil.

Vegetable Oil Production Up, Low Prices Boost Demand

With record world production of oilseeds in 1982/83, the larger crush will yield record supplies of soybean, sunflowerseed, and rapeseed oils. In addition, Malaysian palm oil production may increase 8.3 percent in 1983, following a gain in 1982 of over 25 percent. Low prices and competitive marketing are likely to keep vegetable-oil use growing faster than general economic activity.

World production of soybean oil is forecast to increase 6.8 percent this year to 13.9 million tons. U.S. production may increase slightly faster, totaling

5.4 million tons. Even though consumption may keep pace with the production gains, larger world stocks of uncrushed soybeans are likely to prevent oil prices from strengthening much.

The 1982/83 world crush of sunflowerseeds is expected to increase as dramatically as production, and rapeseed crush is likely to accelerate even faster than crop output; so production of these oils may rise about 10 percent. Rapeseed, soybean, and palm oils compete in the lower price, lower quality portion of the vegetable oil market, while sunflower oil competes with premium oils. With production of cottonseed and peanut oils down this year, sunflower oil may expand its share of the premium market. Stagnating production of Philippine coconut oil will be offset by a sharp increase in Malaysian palm kernel oil, satisfying forecast demand for lauric oils, which contain a chemical making them advantageous for industrial uses.

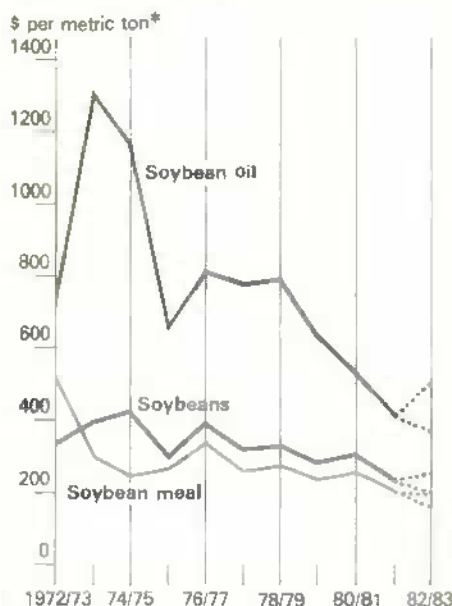
Oilseed Sector's Price Prospects Down

With a nearly 14-percent increase in world soybean production forecast for 1982/83, potentially large stocks at the end of the marketing year point to continued large supplies in 1983/84. Use has not kept pace with supply, and prices received by some U.S. soybean farmers dropped below the loan rate in September (\$5.02 a bushel).

The impact of this year's dramatic decline in soybean prices has reverberated throughout the world oilseed sector. Despite the strong U.S. dollar, European prices in September for imported cottonseeds, sunflowerseeds, rapeseeds, peanuts, and copra—as well as their oil and meal products—were sharply lower than last year. Canadian rapeseed prices are below a year earlier even though supplies are down. Because of the dominant position of U.S. soybeans in the world market, prices in the world oilseed complex are not likely to increase until U.S. soybean supplies decline.

For 1982/83, farm prices for U.S. soybeans are forecast to average \$5.25 to \$6.00 a bushel, compared with \$6.05 for the year just ended. (This range is

Real Prices in Soybean Complex Near Decade Lows



* All prices are in constant 1981/82 dollars.

above the seasonal September-October lows, which reflect harvest pressure caused by the record crop.) Price increases during the marketing year are likely to remain modest, whether measured in nominal or real (deflated) dollars. Soybean prices adjusted for inflation have declined for several years, yet production continues to increase faster than consumption. The extremely low prices projected for 1982/83 can be expected to moderate production the following year, while encouraging crush and use of meal and oil.

Several developments will be necessary to improve the supply-demand balance for soybeans and strengthen prices:

- U.S. economic growth in 1983 of more than 2 to 3 percent, which would encourage demand and buoy prices; growth of less than 2 percent would tend to keep prices low.
- A weaker dollar, which would lower the prices importers pay for U.S. soybeans. A stronger dollar would raise prices.
- Livestock expansion—in particular, a pickup in U.S. pork production—which could stimulate increased meal demand. [Ed Allen (202) 382-9820 and Jan Lipson (202) 447-8855]



General Economy

A weak recovery from the recession is now expected within the next 3 to 6 months. The chief aids to recovery will be the recent sharp declines in interest rates and the associated stock- and bond-market rallies; however, several months will pass before these events stimulate recovery. Also, because consumers increased their saving rate this summer while paying off debts, their balance sheets have improved enough to allow for increased spending when confidence returns.

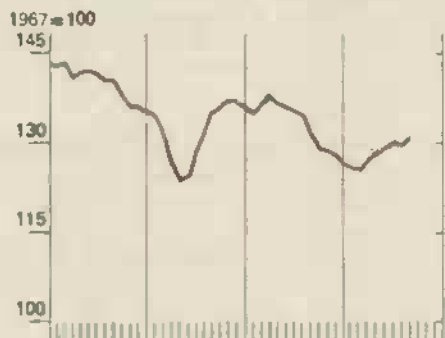
For 1983, real GNP and disposable personal income are forecast to grow 1.5 to 3.5 percent, with unemployment averaging 9 to 10 percent. Inflation is forecast at 4.5 to 6.0 percent, while the prime interest rate is expected to average 12 to 14 percent.

Interest Rates Fall Sharply

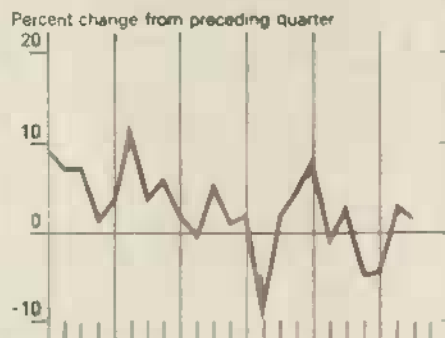
From June through early October, short-term interest rates declined faster than many analysts had expected. Three-month Treasury bills dropped from over 12 percent to under 8 percent, while the prime rate fell from 16 to 12 percent. Long-term rates also fell, but less sharply—with 5-year Treasury securities falling more than two points to under 12 percent.

General Economic Indicators

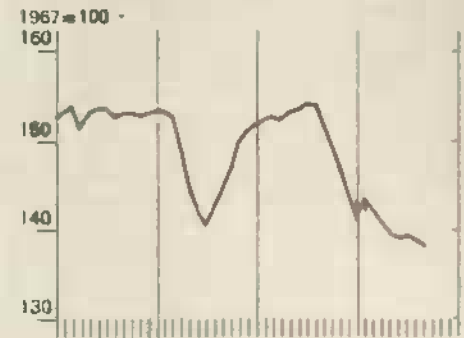
Composite leading economic indicators



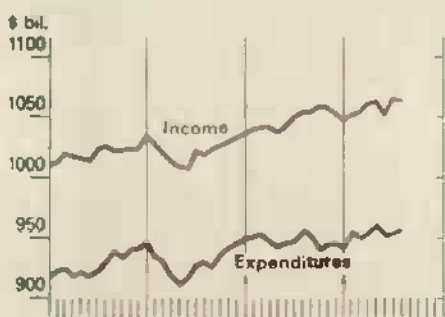
Gross national product¹



Industrial production



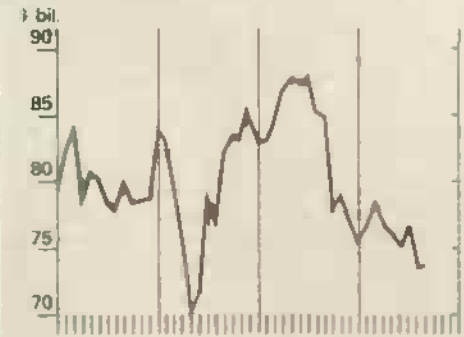
Disposable income and consumption expenditures²



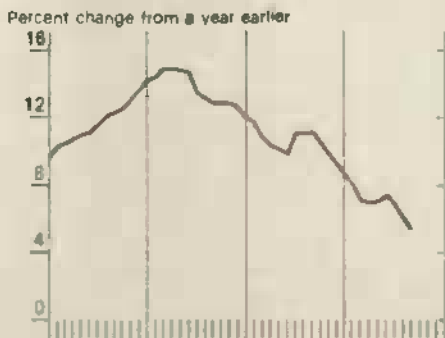
Nonresidential fixed investment²



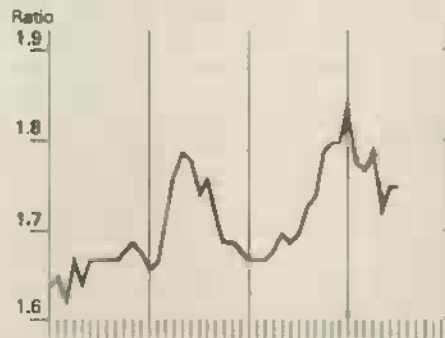
Manufacturers' durable goods orders³



Consumer price index



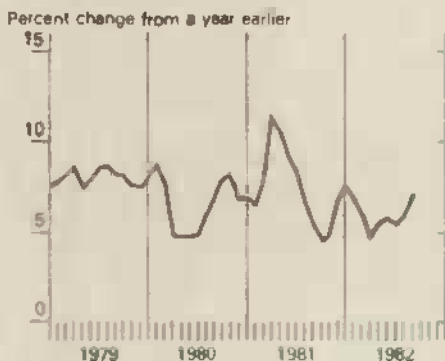
Inventory/sales⁴



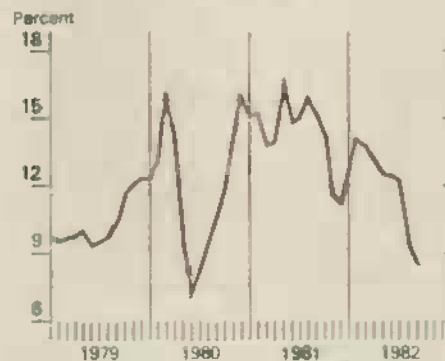
Unemployment rate⁵



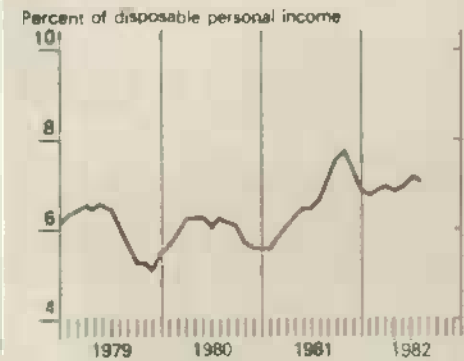
Money supply (M1)



3-month treasury bill rate



Savings rate⁶



¹Percent change from previous quarter in 1972 dollars. Seasonally adjusted annual rates. ²Billions of 1972 dollars, seasonally adjusted at annual rates. ³Nominal dollars. ⁴Manufacturing and trade, seasonally adjusted based on 1972 dollars. ⁵Seasonally adjusted. ⁶Calculated from disposition of personal income in 1972 dollars, seasonally adjusted at annual rates. Sources are: U.S. Dept. of Commerce, U.S. Dept. of Labor, and the Board of Governors of the Federal Reserve System.

Three factors contributed to the swift decline in rates. First, because the expected economic recovery did not materialize, private credit demand was weaker than anticipated. Also, Congress passed the Tax Equity and Fiscal Responsibility Act of 1982, which included measures to reduce the Federal deficit by about \$100 billion over the next 3 years; thus, public credit demand will be less than expected. Finally, the Federal Reserve Board allowed the money supply (M1) to expand at an annual rate of over 10 percent during the third quarter.

The combination of a weaker demand for money and a stronger supply caused interest rates to tumble. An additional factor may be that inflation has been low enough for long enough to finally reduce inflationary expectations for the foreseeable future.

Rates have come down so far that the recovery, when it arrives, is not likely to send them back to previous highs. The outlook is for a further easing of rates through this winter, followed by a modest upturn sometime in early to mid-1983.

Fed Deemphasizes Monetary Aggregates

A dramatic change in monetary policy occurred in the fall of 1979, when the Federal Reserve Board switched its emphasis from targeting interest rates

to targeting growth of the money supply. However, for the money supply approach to be effective, there must be a stable, predictable relationship between the money supply and nominal GNP. This traditionally stable relationship—referred to as the velocity of money—became unstable in recent years, so that nominal GNP is now difficult to control by monetary targeting.

While still committed to reducing inflation by slowing money supply growth over the long run, the Fed announced in October that it will pay less attention to short-run fluctuations in the money supply. The Fed cited various technical factors for the policy change—especially the impact of recent financial innovations such as NOW accounts and money market funds—as well as the unpredictable relationship between money and economic activity. This new policy should lead to less volatile interest rates in the future.

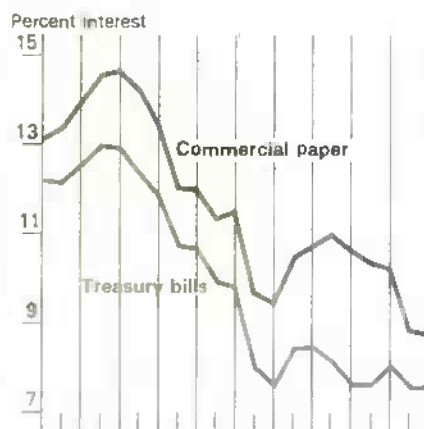
Risk Premium Widens Between Public And Private Debt Instruments

Because of the record number of 1982 business failures and recent investment firm bankruptcies, the risk premium (interest-rate spread) between government and private securities widened considerably over the summer. The spread between 3-month Treasury

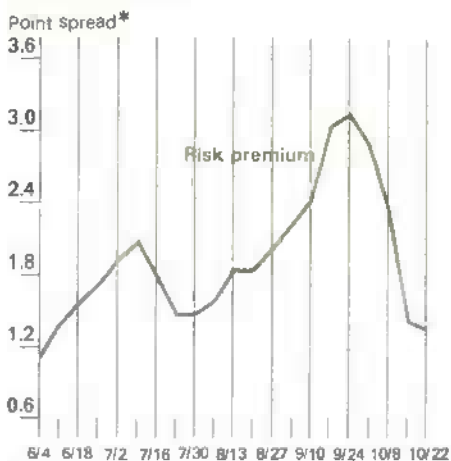
bills and prime commercial paper more than doubled, from 1.06 percentage points in early June to 2.43 points in early October. Such a phenomenon is called flight to quality, as nervous investors seek a safe haven for their funds during domestic or international crises.

The risk premium is also an indicator of future economic activity. When market participants regain confidence in the economy's future, the risk premium narrows, signaling that recovery may be close at hand. The risk premium fell sharply in late October, indicating renewed investor confidence that the economy will recover. Another measure of investor confidence—the stock market—is already signaling possible recovery within 3 to 6 months. [Paul Prentice (202) 447-2317]

Interest Rates Fell Sharply over the Summer...



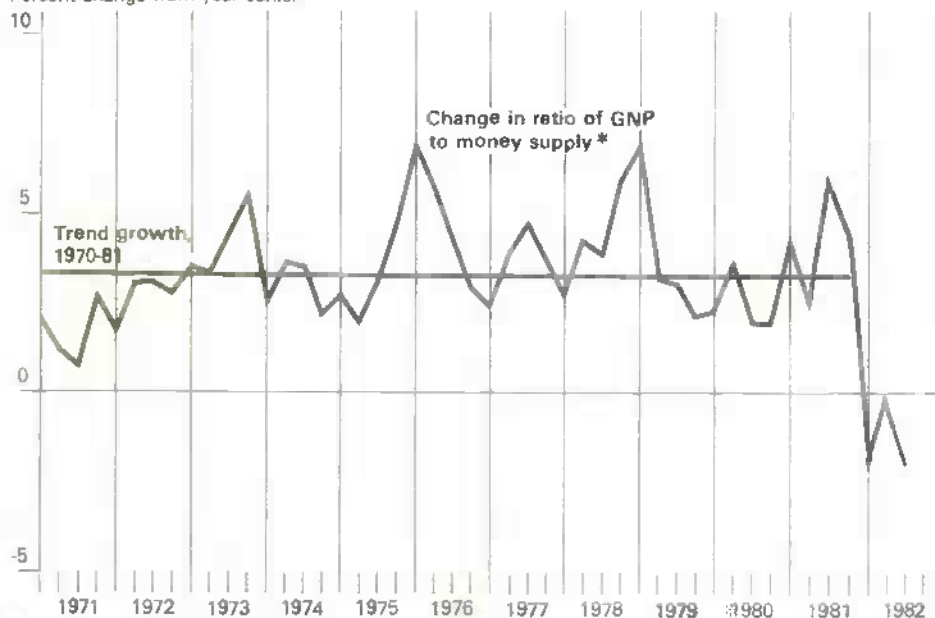
... With Risk Premium Widening to Record Spread



*Between rates on commercial paper and treasury bills

Growth in Ratio of GNP to Money Halts in 1982

Percent change from year earlier



*Cash plus checkable deposits.

Statistical Indicators

Summary Data

Key statistical indicators of the food and fiber sector

	1981			1982			1983		
	III	IV	Annual	I	II	III	IV F	Annual F	I F
Prices received by farmers (1977=100)									
Livestock and products	138	129	138	133	137	135	131	134	133
Crops	146	137	143	141	149	147	147	146	149
Crops	129	121	134	123	124	123	114	121	116
Prices paid by farmers, (1977=100)									
prod. items	148	146	148	149	150	151	150	150	154
Commodities and services, int., taxes, and wages	151	150	150	153	155	156	156	155	161
Cash receipts¹ (\$ bil.)	147	143	143	142	144	144	138-142	140-144	—
Livestock (\$ bil.)	71	66	69	69	71	70	67-71	68-72	—
Crops (\$ bil.)	76	77	75	74	73	74	69-73	71-75	—
Market basket (1967=100)									
Retail cost	260.3	258.9	257.1	263.7	267.3	269.1	271	268	272
Farm value	252.5	240.3	246.4	243.4	257.9	254.1	253	252	255
Spread	264.8	269.8	263.4	275.7	272.9	277.9	281	277	281
Farm value/retail cost (%)	36	34	35	34	36	35	35	35	35
Retail prices (1967=100)									
Food	277.2	277.5	274.6	282.4	285.7	287.8	289	286	293
At home	272.5	271.6	269.9	276.8	280.1	281.4	282	280	285
Away-from home	293.6	297.0	291.0	301.1	304.8	308.7	313	307	316
Agricultural exports (\$ bil.)²	9.0	11.3	43.8	10.5	10.0	7.4	11.0	39.1	10.5
Agricultural imports (\$ bil.)²	3.8	4.1	17.2	3.6	3.7	3.6	3.9	15.0	3.6
Livestock and Products									
Total livestock and products (1974=100)	112.0	113.2	112.3	108.8	112.1	113.0	111.4	111.3	108.7
Beef (mil. lb.)	5,541	5,676	22,214	5,449	5,363	5,728	5,775	22,315	5,525
Pork (mil. lb.)	3,605	4,157	15,716	3,695	3,550	3,239	3,400	13,884	3,325
Veal (mil. lb.)	105	115	415	107	99	107	115	428	100
Lamb and mutton (mil. lb.)	79	88	327	90	85	88	92	355	95
Red meats (mil. lb.)	9,330	10,036	38,672	9,341	9,097	9,163	9,382	36,983	9,045
Broilers (mil. lb.)	3,081	2,880	11,906	2,888	3,109	3,302	2,950	12,249	2,950
Turkeys (mil. lb.)	785	773	2,509	410	528	761	770	2,469	430
Total meats and poultry (mil. lb.)	13,196	13,687	53,088	12,639	12,725	12,945	13,102	51,411	12,425
Eggs (mil. dz.) ³	1,432	1,450	5,800	1,450	1,451	1,422	1,440	5,763	1,440
Milk (bil. lb.)	33.1	32.0	132.6	33.0	35.5	33.8	32.7	135.0	33.7
Choice steers, Omaha (\$/cwt.)	66.53	60.17	63.84	63.36	70.46	64.19	61-64	64-66	63-67
Barrows and gilts, 7 markets (\$/cwt.)	50.42	42.63	44.45	48.17	56.46	61.99	58-60	56-58	58-62
Broilers-wholesale, N.Y., 8-16 lb. hens, dressed (cts./lb.)	47.0	42.1	46.3	44.8	45.1	44.4	40-44	43-45	43-47
Turkeys-wholesale, 9-city weighted avg., dressed (cts./lb.)	62.7	55.1	60.7	55.2	58.8	65.4	66-70	61-63	60-64
Eggs, N.Y. Gr. A large, (cts./dz.) ³	70.8	77.4	73.6	78.4	71.8	64.2	68-70	70-71	68-72
Milk, all at farm (\$/cwt.)	13.53	14.00	13.80	13.77	13.23	13.30	13.60-13.80	13.45-13.55	13.45-13.75
Crop Prices at the farm⁴									
Wheat (\$/bu.)	3.63	3.81	3.70	3.72	3.57	3.33	—	3.40-3.55	—
Corn (\$/bu.)	2.85	2.39	2.50	2.48	2.57	2.32	—	2.20-2.40	—
Soybeans (\$/bu.)	6.68	6.03	6.05	6.05	6.19	5.60	—	5.25-6.00	—
Upland cotton (cts./lb.)	64.5	57.9	—	49.5	54.2	54.8	—	—	—

¹ Quarterly cash receipts are seasonally adjusted at annual rates. ² Annual data are based on Oct.-Sept. fiscal years ending with the indicated year.

³ Marketing year quarters beginning December 1. ⁴ Quarterly prices are simple averages; annual prices are for marketing year beginning in year indicated.

F = Forecast.

Farm Income

Cash receipts from farming

	1981					1982							
	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug
Farm marketings and CCC loans¹	11,180	12,991	18,794	15,560	13,164	14,292	10,409	10,262	10,385	9,721	10,877	11,455	11,548
Livestock and Products	5,532	5,979	6,122	5,726	5,407	5,294	5,167	5,773	6,680	5,939	5,831	5,628	5,907
Meat animals	3,137	3,562	3,581	3,271	3,013	2,970	3,056	3,382	4,150	3,507	3,390	3,259	3,593
Dairy products	1,443	1,403	1,472	1,438	1,527	1,476	1,357	1,554	1,627	1,673	1,593	1,498	1,455
Poultry and eggs	872	842	843	925	790	759	695	764	820	681	767	681	780
Other	80	172	226	92	77	89	59	73	83	78	81	190	79
Crops	5,648	7,012	10,672	9,834	7,757	8,998	5,242	4,489	3,705	3,782	5,046	5,827	5,641
Food grains	1,418	1,547	1,458	852	700	987	620	505	455	514	1,603	1,871	1,398
Feed crops	1,171	1,308	2,211	2,752	2,013	3,418	1,582	1,306	1,017	970	1,216	1,332	1,279
Cotton (lint and seed)	161	113	726	1,177	929	1,124	539	178	52	49	21	-15	-19
Tobacco	561	696	346	341	691	453	67	10	34	5	0	168	682
Oil-bearing crops	573	1,062	3,577	1,896	1,159	1,573	907	837	563	613	827	594	466
Vegetables and melons	811	996	909	587	515	583	491	498	809	716	679	712	813
Fruits and tree nuts	542	682	785	828	767	342	566	555	265	353	511	706	590
Other	411	608	660	1,401	983	518	470	600	710	562	389	459	432
Government payments	108	118	90	149	668	59	507	74	317	23	30	21	34
Total cash receipts²	11,288	13,109	18,884	15,709	13,832	14,351	10,916	10,336	10,702	9,744	10,907	11,476	11,582

¹ Receipts from loans represent value of loans minus value of redemptions during the month. ² Cash receipts estimates reported in this issue for 1982 contain revisions due to a more complete accounting for CCC loans repaid, which has the effect of reducing sales.

Farm Production¹

Item	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982 ²
1977=100										
Farm output	93	88	95	97	100	104	111	103	116	115
All livestock products ³	99	100	95	99	100	100	104	108	108	106
Meat animals	102	104	97	100	100	100	103	107	105	101
Dairy products	94	94	94	98	100	99	101	105	108	110
Poultry and eggs	94	94	92	98	100	106	114	115	119	119
All crops ⁴	92	84	93	92	100	102	113	101	117	118
Feed grains	91	74	91	96	100	108	116	97	121	123
Hay and forage	101	96	100	94	100	106	108	98	106	111
Food grains	86	91	108	107	100	93	108	121	144	140
Sugar crops	95	89	114	112	100	101	94	97	111	95
Cotton	91	82	58	74	100	76	102	79	110	79
Tobacco	91	104	114	112	100	106	80	93	107	101
Oil crops	87	71	86	74	100	105	129	99	115	127
Cropland used for crops	93	96	97	98	100	97	100	102	103	102
Crop production per acre	99	88	96	94	100	105	113	99	114	116

¹ For historical data and indexes, see *Changes in Farm Production and Efficiency* USDA Statistical Bulletin 657. ² Preliminary indexes for 1982 based on Oct. 1982 Crop Production report and other releases of the *Crop Reporting Board*, SRS. ³ Gross livestock production includes minor livestock products not included in the separate groups shown. It cannot be added to gross crop production to compute farm output. ⁴ Gross crop production includes some miscellaneous crops not in the separate groups shown. It cannot be added to gross production to compute farm output.

Cash receipts¹ from farm marketings, by States, January-August

State	Livestock and Products		Crops ²		Total ³	
	1981	1982	1981	1982	1981	1982
	\$Mil:					
North Atlantic						
Maine	167.5	159.7	142.3	106.0	309.8	265.7
New Hampshire	46.2	46.9	17.4	17.9	63.6	64.8
Vermont	241.0	239.8	22.8	22.1	263.9	261.9
Massachusetts	88.7	91.3	104.3	77.7	193.0	169.0
Rhode Island	9.3	8.8	10.5	10.0	19.8	18.8
Connecticut	120.1	122.7	91.3	83.8	211.4	206.5
New York	1,261.1	1,243.6	491.5	477.1	1,752.7	1,720.7
New Jersey	70.1	69.8	226.5	227.9	296.6	297.7
Pennsylvania	1,409.5	1,420.2	469.0	524.7	1,878.5	1,945.0
North Central						
Ohio	943.2	975.2	1,204.5	1,043.0	2,147.7	2,018.1
Indiana	1,131.5	1,199.0	1,369.4	1,297.4	2,500.9	2,496.5
Illinois	1,499.5	1,607.6	3,414.3	3,701.6	4,913.8	5,309.3
Michigan	739.4	750.7	907.5	992.4	1,646.9	1,743.1
Wisconsin	2,819.5	2,607.7	617.4	668.5	3,436.9	3,276.3
Minnesota	2,231.1	2,293.4	1,884.1	2,008.7	4,115.2	4,302.0
Iowa	3,707.9	3,951.8	3,038.4	3,331.2	6,746.3	7,282.9
Missouri	1,569.3	1,599.6	971.7	919.5	2,541.3	2,519.2
North Dakota	389.9	369.8	1,058.1	1,252.6	1,448.0	1,622.3
South Dakota	1,287.5	1,250.4	510.0	599.3	1,797.5	1,849.7
Nebraska	2,172.1	2,765.3	1,544.9	2,094.9	3,716.9	4,860.2
Kansas	2,334.2	2,390.5	1,385.3	1,733.6	3,719.5	4,124.1
Southern						
Delaware	182.9	182.2	49.8	50.0	232.6	232.1
Maryland	462.5	462.0	178.5	172.7	641.0	634.7
Virginia	580.8	575.8	277.0	292.6	857.8	868.5
West Virginia	100.6	104.7	26.9	31.0	127.5	135.6
North Carolina	1,047.1	1,026.2	1,096.5	1,077.1	2,143.6	2,103.3
South Carolina	270.4	274.7	369.3	404.5	639.6	679.2
Georgia	1,179.3	1,142.9	600.7	642.2	1,780.0	1,785.1
Florida	672.8	663.4	2,188.2	2,481.7	2,861.0	3,145.1
Kentucky	797.3	794.6	522.1	729.3	1,319.4	1,523.9
Tennessee	544.0	540.0	327.0	370.8	871.0	910.8
Alabama	878.6	815.8	311.2	350.9	1,189.8	1,166.7
Mississippi	592.4	561.6	439.4	446.4	1,031.8	1,008.0
Arkansas	1,058.7	963.5	672.6	693.9	1,731.3	1,657.4
Louisiana	300.8	285.6	471.5	414.4	772.3	700.0
Oklahoma	1,227.2	1,221.0	652.0	855.6	1,879.2	2,076.5
Texas	3,570.9	3,884.4	2,688.1	2,820.5	6,259.0	6,704.9
Western						
Montana	356.2	349.9	446.2	499.9	802.4	849.7
Idaho	814.3	823.1	633.3	597.1	1,247.6	1,220.2
Wyoming	246.8	239.1	55.8	47.7	302.6	286.8
Colorado	1,276.9	1,358.5	553.6	545.9	1,830.4	1,904.4
New Mexico	316.4	315.6	139.6	159.9	456.0	475.5
Arizona	532.1	549.9	603.9	579.2	1,135.9	1,129.0
Utah	251.1	241.5	79.2	76.5	330.3	318.0
Nevada	83.7	84.6	52.0	51.0	135.7	135.6
Washington	586.6	572.6	1,075.5	1,145.2	1,662.1	1,717.7
Oregon	371.6	364.3	613.8	646.8	985.4	1,011.1
California	2,844.1	2,798.2	4,803.4	4,982.4	7,647.5	7,780.6
Alaska	3.2	3.3	3.4	3.4	6.6	6.6
Hawaii	59.6	58.1	254.2	371.8	313.7	429.9
United States	45,247.6	46,220.8	39,665.7	42,730.0	84,913.3	88,950.8

¹ Estimates as of the first of current month. ² Sales of farm products include receipts from loans reported minus value of redemptions during the period. Rounded data may not add.

Farm marketing indexes (physical volume)

	Annual			1981	1982					
	1979	1980	1981 p	Aug	Mar	Apr	May	June	July	Aug
1977=100										
All commodities	107	110	112	106	115	112	116	121	121	111
Livestock and products	99	101	102	97	100	116	104	105	105	103
Crop	114	119	121	115	133	108	135	142	139	119

p = preliminary. Volume of marketing indexes reported in this issue for 1982 contains revisions due to a more complete accounting for CCC loans repaid, which has the effect of reducing sales.

Farm Prices: Received and Paid

Indexes of prices received and paid by farmers, U.S. average

	Annual			1981	1982					
	1979	1980	1981	Oct	May	June	July	Aug	Sept	Oct p
1977=100										
Prices Received										
All farm products	132	134	138	130	139	137	136	133	136	129
All crops	118	125	134	120	125	125	124	119	125	114
Food grains	147	165	166	159	150	141	136	137	139	138
Feed grains and hay	114	132	141	121	132	128	122	115	109	105
Feed grains	117	135	145	123	131	129	123	115	109	103
Cotton	96	114	111	103	90	91	95	186	91	98
Tobacco	118	125	140	147	151	152	144	157	161	158
Oil-bearing crops	103	102	110	93	95	93	91	86	80	78
Fruit	144	124	129	130	157	166	192	188	295	196
Fresh market ¹	151	128	131	131	164	175	205	200	332	211
Commercial vegetables	110	113	136	122	121	128	121	108	102	109
Fresh market	109	110	135	115	112	116	112	96	88	97
Potatoes ²	92	129	179	113	152	184	180	161	110	95
Livestock and products	147	144	143	140	151	149	148	147	146	143
Meat animals	166	156	150	146	168	166	162	163	158	153
Dairy products	124	135	142	144	136	135	136	136	139	142
Poultry and eggs	111	112	116	112	108	107	111	104	111	109
Prices paid										
Commodities and services, interest, taxes, and wage rates	123	138	150	150	155	156	156	156	156	155
Production items	125	138	148	147	150	151	151	151	150	149
Feed	110	123	134	123	128	126	123	120	117	115
Feeder livestock	185	177	164	162	169	166	168	171	166	165
Seed	110	118	138	144	140	140	140	140	141	141
Fertilizer	108	134	144	144	146	146	146	146	146	141
Agricultural chemicals	96	102	111	113	121	121	121	121	121	121
Fuels & energy	137	188	213	214	200	210	212	213	213	212
Farm & motor supplies	115	134	147	149	152	152	153	154	154	154
Autos & trucks	117	123	143	146	159	159	159	160	160	160
Tractors & self-propelled machinery	122	136	152	159	161	167	167	167	168	168
Other machinery	119	132	146	152	156	162	162	162	165	165
Building & fencing	118	128	134	135	134	135	135	136	136	136
Farm services & cash rent	117	127	137	137	147	147	147	147	147	147
Interest payable per acre on farm real estate debt	141	168	195	195	218	218	218	218	218	218
Taxes payable per acre on farm real estate	107	117	124	124	132	132	132	132	132	132
Wage rates (seasonally adjusted)	117	127	136	135	148	136	136	136	136	136
Production items, interest, taxes, and wage rates	125	139	150	149	155	155	155	154	154	153
Prices received (1910-14=100)	602	614	633	594	633	628	622	609	620	590
Prices paid, etc. (Parity Index) (1910-14=100)	850	950	1,031	1,037	1,071	1,073	1,077	1,078	1,075	1,070
Parity ratio ³	71	65	61	57	59	58	58	56	58	55

¹ Fresh market for noncitrus and fresh market and processing for citrus. ² Includes sweetpotatoes and dry edible beans. ³ Ratio of index of prices received to index of prices paid, taxes, and wage rates. (1910-14=100). p = preliminary.

Prices received by farmers, U.S. average

	Annual*			1981		1982				
	1979	1980	1981	Oct	May	June	July	Aug	Sept	Oct p
Crops										
All wheat (\$/bu.)	3.51	3.88	3.88	3.77	3.64	3.39	3.26	3.34	3.38	3.35
Rice, rough (\$/cwt.)	9.05	11.07	11.94	10.20	8.55	8.54	8.25	7.19	7.60	7.56
Corn (\$/bu.)	2.36	2.70	2.92	2.45	2.60	2.57	2.50	2.30	2.15	2.03
Sorghum (\$/cwt.)	3.91	4.68	4.72	3.90	4.35	4.17	3.96	3.95	3.80	3.72
All hay, baled (\$/ton)	56.30	67.00	67.76	64.20	78.80	70.90	66.60	65.00	64.80	67.60
Soybeans (\$/bu.)	6.86	6.75	6.92	6.06	6.27	6.12	5.99	5.59	5.22	5.03
Cotton, Upland (cts./lb.)	58.0	69.0	66.9	62.3	54.2	54.9	57.6	52.1	54.9	59.5
Potatoes (\$/cwt.)	3.16	4.78	7.02	4.01	6.26	8.01	7.93	7.00	4.62	3.97
Dry edible beans (\$/cwt.)	19.60	24.80	28.60	23.50	19.20	17.50	16.10	16.60	14.50	13.40
Apples for fresh use (cts./lb.)	14.2	17.1	13.6	16.8	16.0	17.6	16.7	13.3	17.5	15.1
Pears for fresh use (\$/ton)	276	325	263	221	335	—	—	243	197	232
Oranges, all uses (\$/box) ¹	3.34	3.26	3.75	2.99	5.98	6.95	9.47	8.54	17.47	9.24
Grapefruit, all uses (\$/box) ¹	2.97	2.73	3.44	4.26	2.02	1.23	3.27	2.22	2.84	2.65
Livestock										
Beef cattle (\$/cwt.)	66.30	62.50	60.80	55.70	62.60	61.10	58.70	58.10	55.50	54.40
Calves (\$/cwt.)	89.70	77.50	64.00	59.00	64.20	61.90	60.60	61.90	59.10	59.10
Hogs (\$/cwt.)	41.30	38.90	43.40	45.00	56.80	57.60	57.90	61.30	61.40	56.50
Lambs (\$/cwt.)	67.10	63.50	54.90	50.60	63.50	57.60	55.90	52.90	50.90	48.30
All milk, sold to plants (\$/cwt.)	12.00	13.10	13.80	14.00	13.20	13.10	13.20	13.20	13.50	13.60
Milk, manuf. grade (\$/cwt.)	11.10	12.00	12.75	12.90	12.50	12.40	12.30	12.30	12.60	12.80
Broilers (cts./lb.)	25.9	27.7	28.1	26.0	28.0	28.6	28.6	26.3	27.1	25.1
Eggs (cts./doz.) ²	58.1	56.7	62.3	63.7	54.8	51.6	55.2	50.7	56.8	58.1
Turkeys (cts./lb.)	41.9	40.0	38.4	33.2	34.6	37.7	40.0	40.1	41.8	42.7
Wool (cts./lb.) ³	86.3	88.1	94.7	87.3	88.5	79.6	74.5	68.3	66.7	59.2

¹ Equivalent on-tree returns. ² Average of all eggs sold by farmers including hatching eggs and eggs sold at retail. ³ Average local market price, excluding incentive payments. *Calendar year averages. p = preliminary.

Producer and Consumer Prices

Consumer Price Index for all urban consumers, U.S. average (not seasonally adjusted)

	Annual	1981		1982						
	1981	Sept	Feb	Mar	Apr	May	June	July	Aug	Sept
1967=100										
Consumer price index, all items	272.4	279.3	283.4	283.1	284.3	287.1	290.6	292.2	292.8	293.3
Consumer price index, less food	270.6	278.2	282.1	281.7	282.9	286.0	289.7	291.5	292.5	292.9
All food	274.6	278.0	283.3	283.0	283.9	285.5	287.8	288.5	287.4	287.6
Food away from home	291.0	294.8	301.2	302.4	303.6	304.8	305.9	307.6	308.7	309.8
Food at home	269.9	273.2	278.0	277.1	277.9	279.8	282.6	282.8	280.8	280.6
Meats ¹	257.8	263.4	260.2	261.2	263.6	269.7	277.2	278.8	276.5	278.4
Beef and veal	272.6	277.1	271.5	271.7	274.8	281.1	288.2	286.7	280.5	279.1
Pork	228.6	238.1	238.9	239.5	241.6	249.9	259.5	265.4	268.2	277.1
Poultry	198.6	199.7	195.7	194.7	193.3	196.0	197.5	199.6	196.2	196.2
Fish	357.7	362.6	373.8	376.3	382.0	366.3	365.2	370.2	367.6	369.4
Eggs	183.8	188.8	205.1	195.2	186.9	172.3	162.5	173.6	161.2	175.2
Dairy products ²	243.6	244.3	246.5	246.5	247.5	247.0	246.3	247.5	247.5	247.0
Fats and oils ³	267.1	268.5	260.5	259.6	260.4	260.6	260.7	259.3	258.3	258.4
Fruits and vegetables	276.3	281.6	301.5	293.1	294.0	297.9	305.6	299.7	291.4	284.1
Fresh	282.9	286.9	319.6	302.1	304.1	311.7	325.9	313.8	296.9	283.5
Processed	271.6	278.3	284.2	285.8	285.5	285.4	285.9	286.8	288.0	287.4
Cereals and bakery products	271.1	274.3	280.9	281.3	281.7	283.3	283.6	284.3	284.8	284.6
Sugar and sweets	368.3	361.4	364.2	365.5	365.3	365.7	366.8	369.5	370.1	371.2
Beverages, nonalcoholic	412.6	413.7	423.4	424.8	424.1	425.6	424.8	422.8	423.8	424.2
Apparel commodities less footwear	174.0	178.0	173.4	176.8	177.4	176.7	175.6	174.0	176.9	180.4
Footwear	200.4	202.4	202.8	204.9	205.6	206.5	206.6	206.4	204.4	206.2
Tobacco products	218.9	221.7	230.7	234.1	235.1	237.4	237.8	239.2	240.1	246.8
Beverages, alcoholic	199.5	202.5	205.6	206.6	207.4	208.0	208.4	209.2	210.1	210.1

¹ Beef, veal, lamb, pork, and processed meat. ² Includes butter. ³ Excludes butter.

Producer Price Indexes, U.S. average (not seasonally adjusted)

	Annual			1981	1982					
	1979	1980	1981	Sept	Apr	May	June	July	Aug	Sept
	1967=100									
Finished goods¹	216.1	247.0	269.8	271.5	277.3	277.8	279.9	281.7	282.4	281.4
Consumer foods	226.3	239.5	253.6	256.2	260.0	262.3	263.4	260.7	259.8	259.9
Fresh fruit	232.6	237.6	228.9	239.7	243.2	244.7	221.1	215.4	247.6	237.9
Fresh and dried vegetables	201.0	219.0	278.0	242.7	265.2	270.9	278.4	237.3	208.9	185.3
Eggs	176.5	171.0	187.1	193.2	192.1	164.3	159.3	171.7	171.7	173.3
Bakery products	221.7	247.8	268.2	272.6	275.6	275.6	275.0	276.0	276.2	276.4
Meats	240.6	235.9	239.0	250.0	250.3	267.1	266.4	260.9	256.2	258.8
Beef and veal	252.2	260.2	246.8	254.1	256.5	267.1	267.4	253.7	244.7	241.0
Pork	205.0	196.7	218.1	236.4	237.5	251.8	257.0	264.3	265.7	278.4
Poultry	188.6	193.3	193.3	190.1	175.8	179.7	185.7	188.1	182.1	182.3
Fish	383.8	370.9	377.8	362.2	423.4	419.3	423.7	413.2	420.6	435.2
Dairy products	211.2	230.6	245.6	245.5	248.4	248.5	248.7	248.8	249.0	249.3
Processed fruits and vegetables	221.9	228.7	261.2	270.0	274.5	273.4	275.4	275.9	274.9	273.2
Vegetable oil and products	223.5	233.2	238.0	236.7	236.7	238.5	238.8	238.9	235.9	233.4
Consumer finished goods less foods	208.2	250.8	276.5	277.9	282.3	281.8	284.6	288.7	290.1	289.1
Beverages, alcoholic	161.4	175.8	189.5	191.0	196.5	197.4	198.0	197.8	198.6	199.1
Soft drinks	277.1	261.0	305.1	307.8	319.2	319.8	318.3	319.4	320.6	318.6
Apparel	160.4	172.4	186.0	188.0	192.2	192.7	193.0	193.1	193.5	193.5
Footwear	218.0	233.1	240.9	242.9	243.7	242.5	243.8	241.7	247.3	248.2
Tobacco products	217.7	245.7	268.3	274.5	306.5	306.7	306.7	311.3	311.3	328.8
Intermediate materials²	242.8	280.3	306.0	309.7	310.1	309.8	310.0	311.4	311.0	310.7
Materials for food manufacturing	223.6	264.4	260.4	254.6	254.4	260.0	260.9	260.0	258.3	257.6
Flour	172.0	187.6	191.9	191.4	186.6	184.6	184.3	163.0	178.1	180.1
Refined sugar ⁴	119.3	212.9	171.8	140.6	153.9	161.6	161.7	165.2	169.9	169.7
Crude vegetable oils	243.7	202.8	185.4	178.6	166.6	170.3	168.1	168.0	156.3	149.4
Crude materials¹	282.2	304.6	329.0	327.4	322.6	328.1	325.7	323.4	320.5	316.3
Foodstuffs and feedstuffs	247.2	259.2	257.4	253.4	254.4	262.6	259.8	255.5	250.7	242.9
Fruits and vegetables ⁵	299.0	238.6	267.3	252.8	266.7	270.7	263.8	238.4	237.7	220.3
Grains	214.8	239.0	248.4	227.0	226.0	228.2	225.7	212.8	197.2	187.3
Livestock	260.3	252.7	248.0	257.3	267.6	282.9	277.5	270.3	268.4	259.0
Poultry, live	194.3	202.1	201.2	196.7	186.2	192.7	207.2	212.5	189.3	196.5
Fibers, plant and animal	209.9	271.1	242.0	206.5	207.4	214.1	203.1	220.8	207.5	196.8
Milk	250.1	271.2	287.4	287.3	280.3	278.8	278.9	279.0	278.8	281.9
Oilseeds	245.5	249.2	277.6	273.2	225.3	229.4	225.4	224.0	224.1	200.1
Coffee, green	416.2	430.3	330.1	286.9	319.6	319.6	319.6	319.6	308.9	304.8
Tobacco, leaf	207.7	222.2	246.9	262.5	265.6	265.6	266.5	253.1	275.9	282.9
Sugar, raw cane	209.8	413.0	272.7	211.7	242.2	268.5	285.9	314.5	323.0	297.2
All commodities	235.6	268.8	293.4	295.7	298.0	298.6	299.4	300.6	300.4	299.5
Industrial commodities	236.5	274.8	304.1	307.4	309.9	309.6	310.7	313.0	313.4	312.9
All foods⁷	266.3	244.5	251.9	251.7	254.4	257.9	259.0	256.8	255.9	255.4
Farm products and processed foods and feeds	229.8	244.7	251.5	250.3	251.6	255.8	255.3	252.5	250.1	247.5
Farm products	241.4	249.4	254.9	251.1	250.6	256.5	252.7	246.5	242.0	234.4
Processed foods and feeds	222.5	241.2	248.7	248.9	251.1	254.4	255.8	254.8	253.6	253.6
Cereal and bakery products	210.3	236.0	255.5	258.5	253.5	252.8	253.3	253.6	253.2	254.1
Sugar and confectionery	214.7	322.5	275.9	246.8	256.0	265.3	269.5	276.1	286.0	279.1
Beverages	210.7	233.0	248.0	249.1	256.6	256.5	256.5	256.7	257.3	256.8

¹ Commodities ready for sale to ultimate consumer. ² Consumer size packages, Dec. 1977=100. ³ Commodities requiring further processing to become finished goods. ⁴ For use in food manufacturing. ⁵ Products entering market for the first time which have not been manufactured at that point. ⁶ Fresh and dried. ⁷ Includes all raw, intermediate, and processed foods (excludes soft drinks, alcoholic beverages, and manufactured animal feeds). n.a. = not available.

Note: Annual historical data on consumer and producer food price indexes may be found in *Food Consumption, Prices and Expenditures*, Statistical Bulletin 672, ERS, USDA.

Farm-Retail Price Spreads

Market basket of farm foods

	Annual			1981						
	1979	1980	1981 p ¹	Sept	Apr	May	June	July	Aug	Sept
Market basket¹:										
Retail cost (1967=100)	222.7	238.8	257.1	260.8	264.5	267.1	270.3	270.7	268.4	268.0
Farm value (1967=100)	227.3	239.8	246.4	248.5	251.3	257.2	265.1	260.1	250.0	252.2
Farm-retail spread (1967=100)	220.0	238.3	263.4	268.0	272.3	272.9	273.6	276.9	279.3	277.5
Farm value/retail cost (%)	37.8	37.2	35.5	35.3	35.2	35.7	36.3	35.6	34.5	34.8
Meat products:										
Retail cost (1967=100)	241.9	248.8	257.8	263.4	263.6	269.7	277.2	278.6	276.5	278.4
Farm value (1967=100)	234.6	234.0	235.5	249.5	252.5	268.1	280.5	268.8	262.4	264.5
Farm-retail spread (1967=100)	250.4	266.1	284.0	279.4	276.6	271.5	273.3	290.5	293.0	294.7
Farm value/retail cost (%)	52.3	50.7	49.3	51.1	51.7	53.6	54.6	52.0	51.2	51.2
Dairy products:										
Retail cost (1967=100)	207.0	227.4	243.6	244.3	247.5	247.0	246.3	247.5	247.5	247.0
Farm value (1967=100)	229.8	251.1	265.9	266.8	259.4	259.7	259.1	259.2	260.3	262.0
Farm-retail spread (1967=100)	187.1	206.6	224.1	224.9	237.1	235.8	235.1	237.3	235.8	233.8
Farm value/retail cost (%)	51.9	51.6	51.0	51.1	49.0	49.2	49.2	49.0	49.2	49.6
Poultry:										
Retail cost (1967=100)	181.5	190.8	198.6	199.7	193.3	196.0	197.5	199.6	196.2	196.2
Farm value (1967=100)	203.8	211.9	210.2	199.7	193.2	204.3	211.9	215.3	202.8	209.6
Farm-retail spread (1967=100)	160.0	170.3	187.4	199.7	193.4	187.9	178.6	184.5	189.8	183.2
Farm value/retail cost (%)	55.2	54.6	52.0	49.2	49.2	51.3	53.4	53.0	50.8	52.5
Eggs:										
Retail cost (1967=100)	172.8	169.7	183.8	188.8	186.9	172.3	162.5	173.6	161.2	175.2
Farm value (1967=100)	194.2	184.3	206.5	215.7	208.1	176.0	162.8	177.1	158.3	183.7
Farm-retail spread (1967=100)	142.0	148.6	150.9	149.8	156.3	166.9	162.0	168.5	165.4	162.9
Farm value/retail cost (%)	66.4	64.2	66.4	67.5	65.8	60.4	59.2	60.3	58.0	62.0
Cereal and bakery products:										
Retail cost (1967=100)	220.2	246.4	271.1	274.3	281.7	283.3	283.6	284.3	284.8	284.6
Farm value (1967=100)	189.9	221.4	217.7	204.2	202.7	202.2	198.0	195.0	191.6	190.6
Farm-retail spread (1967=100)	226.3	251.6	282.1	288.8	298.1	300.1	301.3	302.8	304.1	304.1
Farm value/retail cost (%)	14.8	15.4	13.8	12.8	12.3	12.2	12.0	11.8	11.5	11.5
Fresh fruits:										
Retail cost (1967=100)	258.5	271.8	286.1	320.0	317.3	332.6	357.6	351.4	357.4	348.1
Farm value (1967=100)	237.6	245.0	251.6	283.2	343.6	369.2	392.3	404.9	288.8	351.2
Farm-retail spread (1967=100)	267.9	283.8	301.6	336.5	305.5	316.2	341.6	327.4	388.2	346.7
Farm value/retail cost (%)	28.5	27.9	27.2	27.4	33.6	31.6	34.1	35.1	25.0	31.2
Fresh vegetables:										
Retail cost (1967=100)	222.5	242.2	287.4	268.6	301.8	305.1	311.9	296.4	260.2	241.0
Farm value (1967=100)	204.3	216.1	279.9	232.3	316.6	279.1	321.2	299.7	265.7	214.4
Farm-retail spread (1967=100)	231.1	254.5	290.9	285.7	294.8	317.3	307.5	294.9	257.6	253.5
Farm value/retail cost (%)	29.4	28.5	31.2	27.6	33.6	29.2	32.9	32.3	32.6	28.5
Processed fruits and vegetables:										
Retail cost (1967=100)	226.6	242.5	271.5	278.3	285.5	285.4	285.9	286.8	288.0	287.4
Farm value (1967=100)	235.3	243.5	288.7	302.4	272.3	276.2	275.2	273.0	271.5	266.9
Farm-retail spread (1967=100)	224.7	242.2	267.7	373.0	288.4	287.4	288.3	289.8	291.7	291.9
Farm value/retail cost (%)	18.8	18.2	19.3	19.7	17.3	17.5	17.4	17.3	17.1	16.8
Fats and oils:										
Retail cost (1967=100)	226.3	241.2	267.1	268.5	260.4	260.6	260.7	259.3	258.3	258.4
Farm value (1967=100)	278.0	250.3	261.3	225.4	219.9	223.7	219.4	225.8	209.5	196.0
Farm-retail spread (1967=100)	206.4	237.7	269.4	285.1	276.0	274.8	281.7	272.2	279.7	282.4
Farm value/retail cost (%)	34.1	28.8	27.2	23.3	23.5	23.8	23.0	24.2	21.9	21.1

¹ Retail costs are based on indexes of retail prices for domestically produced farm foods from the CPI-U published monthly by the Bureau of Labor Statistics. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods.

Note: Annual historical data on farm-retail price spreads may be found in *Food Consumption, Prices and Expenditures*, Statistical Bulletin 672, ERS, USDA.

Farm-retail price spreads

	Annual			1981			1982			
	1979	1980	1981	Sept	Apr	May	June	July	Aug	Sept
Beef, Choice:										
Retail price ¹ (cts./lb.)	226.3	237.6	238.7	243.8	240.4	246.5	254.6	251.8	246.9	246.1
Net carcass value ² (cts.)	150.5	155.4	149.3	153.9	162.2	169.9	164.4	152.6	150.2	143.0
Net farm value ³ (cts.)	140.8	145.0	138.5	142.8	151.8	159.7	154.4	143.4	141.4	132.6
Farm-retail spread (cts.)	85.5	92.6	100.2	101.0	88.6	86.8	100.2	108.4	105.5	113.5
Carcass-retail spread ⁴ (cts.)	75.8	82.2	89.4	89.9	78.2	76.6	90.2	99.2	96.7	103.1
Farm-carcass spread ⁵ (cts.)	9.7	10.4	10.8	11.1	10.4	10.2	10.0	9.2	8.8	10.4
Farm value/retail price (%)	62	61	58	59	63	65	61	57	57	54
Pork:										
Retail price ¹ (cts./lb.)	144.1	139.4	152.4	159.5	163.0	169.6	175.4	181.1	183.5	190.3
Wholesale value ² (cts.)	100.4	98.0	106.7	112.7	114.0	122.1	125.1	129.3	132.8	136.0
Net farm value ³ (cts.)	66.6	63.2	70.3	78.3	82.7	92.0	93.7	95.1	100.1	99.9
Farm-retail spread (cts.)	77.5	67.2	82.1	81.2	80.3	77.6	81.7	86.0	83.4	90.4
Wholesale-retail spread ⁴ (cts.)	43.7	41.4	45.7	46.8	49.0	47.5	50.3	51.8	50.7	54.3
Farm-wholesale spread ⁵ (cts.)	33.8	34.8	36.4	34.4	31.3	30.1	31.4	34.2	32.7	36.1
Farm value/retail price (%)	46	45	46	49	51	54	53	53	55	52

¹ Estimated weighted average price of retail cuts from pork and yield grade 3 beef carcasses. Retail prices from BLS. ² Value of carcass quantity equivalent to 1 lb. of retail cuts-beef adjusted for value of fat and bone byproducts. ³ Market value to producer for quantity of live animal equivalent to 1 lb. retail cuts minus value of byproducts. ⁴ Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. ⁵ Represents charges made for livestock marketing, processing and transportation to city where consumed.

Price indexes of food marketing costs¹

	Annual			1981			1982		
	1979	1980	1981	II	III	IV	I	II	III
1967=100									
Labor-hourly earnings and benefits	265.8	292.6	322.0	320.9	325.8	326.5	336.6	341.7	343.5
Processing	257.9	283.3	310.1	308.0	312.9	316.2	325.6	330.8	329.6
Wholesaling	260.4	283.5	309.8	309.9	312.7	318.2	329.4	330.6	336.2
Retailing	276.1	306.4	339.5	338.6	344.5	340.5	350.8	357.4	360.7
Packaging and containers	228.4	261.5	282.1	281.4	287.2	281.4	279.6	278.9	271.9
Paperboard boxes and containers	202.1	234.7	259.6	260.8	261.7	261.1	260.7	258.6	253.7
Metal cans	293.0	325.7	345.6	341.7	352.1	347.6	359.2	367.3	363.3
Paper bags and related products	209.7	238.1	259.0	258.7	262.1	263.2	264.4	264.5	264.4
Plastic films and bottles	216.9	258.9	266.0	263.2	279.1	249.8	223.8	214.9	184.6
Glass containers	261.1	292.6	328.4	331.7	334.8	335.5	347.6	357.4	357.5
Metal foil	175.6	184.4	202.8	203.6	205.8	210.5	214.4	214.4	212.5
Transportation services	251.3	297.9	346.0	340.3	351.1	357.0	371.7	371.2	370.8
Advertising	197.4	214.5	234.9	233.0	236.9	242.0	251.4	259.3	264.9
Fuel and power	418.2	564.0	668.9	677.6	684.1	682.6	695.6	681.7	712.1
Electric	270.3	320.1	367.2	361.1	380.2	380.3	398.5	406.3	415.9
Petroleum	574.6	850.8	1,056.3	1,096.1	1,072.4	1,054.7	1,051.8	950.1	1,013.7
Natural gas	544.8	733.7	828.1	822.6	840.8	869.4	900.6	967.3	1,000.0
Communications, water and sewage	148.7	153.9	168.7	164.3	171.5	177.7	180.7	185.5	188.9
Rent	216.4	235.4	255.0	252.3	258.5	262.8	265.9	265.2	269.2
Maintenance and repair	249.7	277.1	304.0	302.0	307.8	312.8	317.7	324.1	327.9
Business services	211.0	231.9	254.2	252.6	257.5	263.2	268.8	273.9	277.6
Supplies	224.3	258.8	284.0	284.1	287.1	288.3	290.4	289.3	288.6
Property taxes and insurance	246.9	270.6	294.0	292.5	296.7	300.8	304.0	307.3	311.8
Interest, short-term	213.5	240.3	288.8	300.4	317.3	253.3	268.1	263.9	226.1
Total marketing cost index	252.2	286.2	318.0	316.9	322.8	323.0	330.7	333.1	334.6

¹ Indexes measure changes in employee wages and benefits and in prices of supplies and services used in processing, wholesaling, and retailing U.S. farm foods purchased for at-home consumption. p = Preliminary.

Note: Annual historical data on food marketing cost indexes may be found in *Food Consumption Prices and Expenditures*, Statistical Bulletin 672, ERS, USDA.

Transportation Data

Rail rates, grain and fruit and vegetable shipments

	Annual			1981	1982					
	1979	1980	1981	Sept	Apr	May	June	July	Aug	Sept
Rail freight rate index¹										
All products (1969=100)	243.3	284.5	327.6	333.0	351.4	351.4	351.5	351.5	352.0	351.9
Farm products (1969=100)	235.9	275.6	315.0	315.5	338.3	337.6	338.3	338.3	337.3	335.2
Grain (Dec. 1978=100)	107.4	127.9	148.1	150.1	160.2	159.7	160.2	160.2	159.7	158.7
Food products (1969=100)	239.2	283.1	329.4	334.8	353.7	353.1	353.7	353.7	353.1	353.1
Rail carloadings of grain (thou. cars)²	27.5	30.1	26.3	25.6	23.6	23.8	22.5	27.0	25.1	20.3
Barge shipments of grain (mil. bu.)³	31.2	36.7	38.2	42.8	39.4r	44.7	40.3	38.7	40.9	36.6
Fresh fruit and vegetable shipments										
Piggy back (thousand cwt.) ^{3,4}	n.a.	124	247	330	321	435	453	840	427r	397
Rail (thou. cwt.) ^{3,4}	806	1,218	711	509	591	675	1,173	447	442r	438
Truck (thou. cwt.) ^{3,4}	7,558	7,594	7,662	7,065	6,579	9,096	8,768	8,038	7,202r	6,762

¹ Department of Labor, Bureau of Labor Statistics, revised April 1982. ² Weekly average; from Association of American Railroads. ³ Weekly average; from Agricultural Marketing Service, USDA. ⁴ Preliminary data for 1982. n.a. = not available. r = revised.

Livestock and Products

Poultry and eggs

	Annual			1981	1982					
	1979	1980	1981	Sept	Apr	May	June	July	Aug	Sept
Broilers										
Federally inspected slaughter, certified (mil. lb.)	10,916	11,272	11,906	1,039.7	1,015.8	1,006.1	1,085.2	1,029.5	1,051.6	—
Wholesale price, 9-city, (cts./lb.)	44.4	46.8	46.3	43.6	42.6	45.8	47.0	46.1	43.4	43.6
Price of broiler grower feed (\$/ton)	189	207	227	222	215	217	215	217	215	209
Broiler-feed price ratio (lb.) ¹	2.8	2.7	2.6	2.4	2.4	2.6	2.7	2.6	2.4	2.6
Average weekly placements of broiler chicks, 21 States (mil.)	76.8	² 77.9	² 77.1	76.8	84.1	84.8	84.4	81.2	75.6	76.7
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	2,182	2,332	2,509	273.1	144.7	163.6	216.2	228.3	264.4	—
Wholesale price, New York, 8-16 lb. young hens (cts./lb.)	68.1	63.6	60.7	59.5	55.8	58.8	61.8	64.1	64.1	68.0
Price of turkey grower feed (\$/ton)	202	223	249	248	228	236	238	236	235	225
Turkey-feed price ratio (lb.) ¹	4.1	3.5	3.1	3.1	3.0	2.9	3.2	3.4	3.4	3.7
Poults hatched (mil.)	180.0	188.7	187.3	8.2	21.2	20.3	20.5	20.3	13.8	8.1
Eggs										
Price of laying feed (\$/ton)	168	188	210	203	191	195	195	194	191	188
Egg-feed price ratio (lb.) ¹	6.9	6.0	6.0	6.4	6.6	5.6	5.3	5.7	5.3	6.0
Cartoned price, New York, grade A large (cts./doz.) ³	68.2	66.9	73.2	74.7	72.2	64.0	63.9	64.0	64.8	—
Replacement chicks hatched (mil.)	519	485	454	32.2	46.2	46.5	39.0	34.6	33.4	31.8
	Annual			⁴ 1980/81				⁴ 1981/82		
	1979	1980	1981	I	II	III	IV	I	II	III
Eggs										
Farm production (mil.)	69,325	69,671	69,633	17,459	17,554	17,185	17,406	17,370	17,407	17,065
Average number of layers on farms (mil.)	289	288	287	293	285	282	288	290	283	279
Rate of lay (eggs per layer)	240	242	243	59.7	61.6	60.9	60.5	59.8	61.6	61.1
	Annual			1981				1982		
	1979	1980	1981	I	II	III	IV	I	II	III
Stocks										
Eggs, shell (thou. cases)	38	38	31	19	18	41	19	38	39	32
Eggs, frozen (mil. lb.)	25.3	23.4	24.3	25.3	24.2	22.7	27.2	23.7	19.4	22.7
Broilers, beginning of period (mil. lb.)	20.1	30.6	22.4	25.1	26.8	30.1	31.5	32.6	27.0	21.8
Turkeys, beginning of period (mil. lb.)	175.1	240.0	198.0	257.6	207.9	327.3	532.1	305.1	232.8	281.7

¹ Pounds of feed equal in value to 7 dozen eggs or 1 lb. of broiler or turkey liveweight. ² 19 States. ³ Price of cartoned eggs to volume buyers for delivery to retailers. ⁴ Marketing year quarters begin in December.

Dairy

	Annual			1981		1982				
	1979	1980	1981	Sept	Apr	May	June	July	Aug	Sept
Milk prices, Minnesota-Wisconsin,										
3.5% fat (\$/cwt.) ¹	10.91	11.88	12.57	12.46	12.45	12.43	12.42	12.42	12.44	12.46
Price of 16% dairy ration (\$/ton)	156	177	192	185	179	181	179	180	177	173
Milk-feed price ratio (lb.) ²	1.55	1.48	1.44	1.48	1.50	1.46	1.46	1.47	1.49	1.56
Wholesale prices:										
Butter, Grade A Chl. (cts./lb.)	122.4	139.3	148.0	148.5	147.4	147.2	147.3	147.6	148.1	148.6
Am. cheese, Wls. assembly pt. (cts./lb.)	123.8	133.0	139.4	139.7	137.4	136.9	137.4	137.4	137.8	138.1
Nonfat dry milk, (cts./lb.) ³	80.1	88.4	93.1	93.1	93.0	92.9	93.1	93.1	93.1	93.1
USDA net removals (mil. lb.):										
Total milk equiv. (mil. lb.) ⁴	2,119.1	8,799.9	12,860.8	429.4	1,609.5	1,653.4	1,623.3	1,056.4	848.0	746.2
Butter (mil. lb.)	81.6	257.0	351.5	6.9	44.5	46.3	39.9	18.1	12.5	12.2
Am. cheese (mil. lb.)	40.2	349.7	563.0	28.6	69.6	70.3	80.2	68.6	59.2	49.5
Nonfat dry milk (mil. lb.)	255.3	634.3	851.3	54.0	95.0	93.6	120.7	98.3	72.6	63.9

	Annual			1981				1982		
	1979	1980	1981	I	II	III	IV	I	II	III
Milk:										
Total milk production (mil. lb.)	123,411	128,525	132,634	32,426	35,140	33,086	31,982	33,005	35,512	33,848
Milk per cow (lb.)	11,488	11,889	12,147	2,981	3,226	3,029	2,913	2,999	3,226	3,028
Number of milk cows (thou.)	10,743	10,810	10,919	10,877	10,892	10,925	10,981	11,005	10,985	11,026
Stocks, beginning										
Total milk equiv. (mil. lb.) ⁴	8,730	8,599	12,958	12,958	15,358	19,534	19,813	18,377	18,020	20,994
Commercial (mil. lb.)	4,475	5,419	5,752	5,752	5,868	5,921	5,255	5,398	5,166	5,045
Government (mil. lb.)	4,254	3,180	7,207	7,207	9,490	13,613	14,558	12,980	12,855	15,949
Imports, total equiv. (mil. lb.) ⁴	2,305	2,107	2,325	403	469	577	875	420	658	n.a.
Commercial disappearance										
milk equiv. (mil. lb.)	120,185	119,161	120,134	27,856	30,172	31,622	30,482	28,426	30,826	n.a.
Butter:										
Production (mil. lb.)	984.6	1,145.3	1,236.8	348.1	329.7	255.4	303.6	368.5	332.9	262.2
Stocks, beginning (mil. lb.)	206.9	177.8	304.6	304.6	407.4	507.5	489.5	429.2	447.8	541.6
Commercial disappearance (mil. lb.)	895.0	878.8	877.8	190.0	215.3	228.1	244.4	208.7	215.9	n.a.
American cheese:										
Production (mil. lb.)	2,189.9	2,374.6	2,584.8	634.8	734.6	608.9	606.7	655.5	740.9	662.5
Stocks, beginning (mil. lb.)	378.8	406.6	591.5	591.5	644.9	828.0	886.4	889.1	817.1	903.2
Commercial disappearance (mil. lb.)	2,113.1	2,023.9	2,090.8	517.4	503.3	526.3	544.0	529.9	521.5	n.a.
Other Cheese:										
Production (mil. lb.)	1,527.3	1,608.5	1,619.7	389.9	409.4	396.5	423.8	393.6	437.8	437.0
Stocks, beginning (mil. lb.)	78.4	105.6	99.3	99.3	89.7	100.8	95.7	86.6	80.7	92.1
Commercial disappearance (mil. lb.)	1,730.4	1,827.9	1,860.0	433.7	444.9	455.6	525.8	447.9	474.5	n.a.
Nonfat dry milk:										
Production (mil. lb.)	908.7	1,160.7	1,305.8	297.3	390.8	329.3	288.2	336.6	417.2	346.7
Stocks, beginning (mil. lb.)	585.1	485.2	586.8	586.8	632.5	733.1	809.0	889.7	975.6	1,132.4
Commercial disappearance (mil. lb.)	603.1	538.9	455.6	97.4	84.2	159.1	114.8	94.4	75.2	n.a.
Frozen dessert production (mil. gal.)⁵	1,152.1	1,168.4	1,169.4	249.8	326.7	348.0	244.8	251.1	334.7	347.8

¹ Manufacturing grade milk. ² Pounds of 16% protein ration equal in value to 1 pound of milk. ³ Prices paid f.o.b. Central States production area, high heat spray process. ⁴ Milk equivalent, fat-solids basis. ⁵ Ice cream, ice milk, and sherbert. n.a. = not available.

Wool

	Annual			1981		1982				
	1979	1980	1981	Sept	Apr	May	June	July	Aug	Sept
U.S. wool price, Boston¹ (cts./lb.)	218	245	278	283	240	240	240	240	240	240
Imported wool price, Boston² (cts./lb.)	257	265	292	290	277	269	259	257	250	247
U.S. mill consumption, scoured										
Apparel wool (thou. lb.)	106,533	113,423	127,752	11,438	9,084	8,244	9,362	5,889	8,051	n.a.
Carpet wool (thou. lb.)	10,513	10,020	10,896	1,146	738	890	777	568	987	n.a.

¹ Wool price delivered at U.S. mills, clean basis, Graded Territory 64's (20.60-22.04 microns) staple 2 1/2" and up. Prior to January 1976 reported as: Territory fine, good French combing and staple. ² Wool price delivered at U.S. mills, clean basis, Australian 60/62's, type 64A (24 micron), including duty (25.5 cents). Duty in 1982 is 10.0 cents. Prior to January 1976 reported as: Australian 64's combing, excluding. n.a. = not available.

Meat animals

	Annual			1981	1982					
	1979	1980	1981	Sept	Apr	May	June	July	Aug	Sept
Cattle on feed (7-States)										
Number on feed (thou. head) ¹	9,226	8,454	7,863	6,289	7,024	7,066	7,363	7,181	6,836	6,817
Placed on feed (thou. head)	19,877	18,346	17,814	1,845	1,565	1,853	1,405	1,205	1,731	2,004
Marketings (thou. head)	18,793	17,448	17,168	1,452	1,414	1,413	1,495	1,482	1,689	1,585
Other disappearance (thou. head)	1,856	1,489	1,263	86	109	143	92	68	61	83
Beef steer-corn price ratio,										
Omaha (bu.) ¹	28.7	25.1	22.2	26.0	26.5	27.2	26.5	26.1	29.2	27.5
Hog-corn price ratio, Omaha (bu.) ²	18.1	14.6	15.5	19.8	19.8	21.8	22.1	23.3	27.9	28.1
Market prices (\$ per cwt.)										
Slaughter cattle:										
Choice steers, Omaha	67.75	66.96	63.84	65.37	69.11	72.10	70.18	66.18	65.14	61.25
Utility cows, Omaha	50.10	45.73	41.93	42.47	41.26	43.40	42.73	42.52	42.62	41.52
Choice vealers, S. St. Paul	91.41	75.53	77.16	77.30	78.00	82.88	85.00	84.38	81.12	84.60
Feeder cattle:										
Choice, Kansas City, 600-700 lb.	83.08	75.23	66.24	66.16	66.08	67.78	65.57	65.26	67.85	66.48
Slaughter hogs:										
Barrows and gilts, 7-markets ³	42.06	40.04	44.45	49.68	52.08	58.14	59.16	59.83	63.13	63.01
Feeder pigs:										
S. Mo. 40-50 lb. (per head)	35.26	30.14	35.40	40.23	55.94	57.84	53.12	53.26	60.33	62.62
Slaughter sheep and lambs:										
Lambs, Choice, San Angelo	68.75	66.42	58.40	52.30	66.54	67.12	63.33	57.50	54.75	52.90
Ewes, Good, San Angelo	32.82	24.68	26.15	21.00	26.12	21.44	24.38	26.88	21.00	16.65
Feeder lambs:										
Choice, San Angelo	77.53	68.36	56.86	51.40	64.88	63.50	55.38	51.31	48.50	47.35
Wholesale meat prices, Midwest										
Choice steer beef, 600-700 lb.	101.62	104.44	99.84	102.96	109.50	115.14	111.21	102.61	100.75	95.54
Canner and Cutter cow beef	100.23	92.45	84.06	84.82	80.98	82.18	81.11	80.94	80.39	79.00
Pork loins, 8-14 lb.	91.35	84.87	96.56	104.56	105.81	115.68	122.12	121.29	122.11	123.47
Pork bellies, 12-14 lb.	46.00	43.78	52.29	60.07	74.38	80.82	76.72	84.50	93.50	90.70
Hams, skinned, 14-17 lb.	77.04	73.34	77.58	84.67	81.62	86.78	86.00	87.62	96.19	99.74
	Annual			1981			1982			
	1979	1980	1981	II	III	IV	I	II	III	IV
Cattle on feed (13-States):										
Number on feed (thou. head) ¹	11,233	10,399	9,845	8,666	8,646	8,210	9,028	8,818	8,981	8,800
Placed on feed (thou. head)	23,923	22,548	21,874	5,590	5,275	6,193	5,567	5,766	5,856	—
Marketings (thou. head)	22,599	21,306	21,164	5,113	5,460	5,034	5,438	5,194	5,783	—
Other disappearance (thou. head)	2,158	1,796	1,527	497	251	341	339	409	254	—
Hogs and pigs (10-States):⁴										
Inventory (thou. head) ¹	50,920	49,090	45,970	45,275	46,200	47,170	45,970	40,610	41,190	41,620
Breeding (thou. head) ¹	7,114	6,840	6,021	6,500	6,355	6,357	6,021	5,578	5,689	5,545
Market (thou. head) ¹	43,806	42,250	39,949	38,775	39,845	40,813	39,949	35,032	35,501	36,075
Farrowings (thou. head)	10,912	10,527	9,821	2,750	2,461	2,418	1,977	2,391	2,237	2,165
Pig crop (thou. head)	77,320	76,230	72,591	20,741	18,134	17,853	14,059	17,943	16,182	—
Commercial slaughter (thou. head)*										
Cattle	33,678	33,807	34,953	8,496	8,879	8,992	8,669	8,641	9,210	—
Steers	17,377	17,156	17,491	4,408	4,293	4,338	4,425	4,389	4,322	—
Heifers	9,741	9,594	10,027	2,354	2,707	2,586	2,334	2,353	2,877	—
Cows	5,930	6,332	6,643	1,526	1,660	1,880	1,737	1,685	1,786	—
Bulls and stags	629	724	775	200	218	186	173	214	225	—
Calves	2,823	2,588	2,798	594	715	802	770	674	770	—
Sheep and lambs	5,017	5,539	6,008	1,439	1,520	1,600	1,602	1,537	1,628	—
Hogs	89,099	96,074	91,575	22,594	21,277	24,026	21,725	20,710	18,936	—
Commercial production (mil. lb.)										
Beef	21,262	21,470	22,214	5,435	5,541	5,676	5,449	5,363	5,728	—
Veal	411	379	414	95	105	115	107	99	107	—
Lamb and mutton	282	310	328	77	79	88	90	85	88	—
Pork	15,270	16,432	15,717	3,881	3,606	4,155	3,695	3,550	3,239	—

¹ Beginning of period. ² Bushels of corn equal in value to 100 pounds liveweight. ³ 220-240 lb. Beginning in January 230-240 lb. ⁴ Quarters are Dec. preceding year-Feb. (I), Mar.-May (II), June-Aug. (III), and Sept.-Nov. (IV). *Intentions. *Classes estimated.

Crops and Products

Feed grains

	Marketing year ¹			1981	1982					
	1978/79	1979/80	1980/81	Sept	Apr	May	June	July	Aug	Sept
Wholesale prices:										
Corn, No. 2 yellow, St. Louis (\$/bu.)	2.51	2.73	3.35	2.61	2.78	2.78	2.75	2.68	2.42	2.32
Sorghum, No. 2 yellow, Kansas City (\$/cwt.)	4.00	4.65	5.36	4.16	4.45	4.48	4.50	4.38	4.02	4.06
Barley, feed, Minneapolis (\$/bu.)	1.80	2.16	2.60	2.21	2.16	2.24	2.12	1.85	1.72	1.69
Barley, malting, Minneapolis (\$/bu.)	2.38	2.67	3.64	3.05	2.98	3.05	2.93	2.63	2.48	2.37
Exports:										
Corn (mil. bu.)	2,133	2,433	2,355	151	196	213	180	121	114	n.a.
Feed grains (mil. metric tons) ²	60.2	71.3	69.3	4.9	5.4	5.8	5.0	3.7	3.7	n.a.

	Marketing year ¹			1981				1982		
	1978/79	1979/80	1980/81	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept p
Corn:										
Stocks, beginning (mil. bu.)	1,111	1,304	1,617	5,859	3,987	2,774	1,034	6,899	5,075	3,854
Domestic use:										
Feed (mil. bu.)	4,323	4,519	4,139	1,100	685	831	1,621	1,182	665	610
Food, seed, ind. (mil. bu.)	620	675	735	139	133	311	170	152	147	342
Feed grains:²										
Stocks, beginning (mil. metric tons)	41.4	46.2	52.4	172.9	117.4	80.7	45.5	205.3	149.0	113.0
Domestic use:										
Feed (mil. metric tons)	135.9	138.7	123.0	32.1	20.8	24.7	49.0	36.4	19.8	20.1
Food, seed, ind. (mil. metric tons)	20.9	22.3	23.8	4.7	4.6	9.5	5.3	5.1	5.1	10.3

¹ Beginning October 1 for corn and sorghum; June 1 for oats and barley. ² Aggregated data for corn, sorghum, oats, and barley.

Food grains

	Marketing year ¹			1981	1982					
	1978/79	1979/80	1980/81	Sept	Apr	May	June	July	Aug	Sept
Wholesale prices:										
Wheat, No. 1 HRW, Kansas City (\$/bu.) ²	3.38	4.25	4.45	4.19	4.28	4.22	4.06	3.74	3.70	3.75
Wheat, DNS, Minneapolis (\$/bu.) ²	3.17	4.16	4.46	4.07	4.21	4.16	4.08	4.08	3.78	3.79
Flour, Kansas City (\$/cwt.)	7.81	10.03	10.35	10.20	10.42	10.33	10.26	10.21	9.98	10.13
Flour, Minneapolis (\$/cwt.)	8.17	10.27	10.98	10.59	10.54	10.55	10.50	10.54	10.19	10.48
Rice, S.W. La. (\$/cwt.) ³	18.40	22.15	25.95	24.30	17.55	17.60	17.20	17.00	17.50	17.40
Wheat:										
Exports (mil. bu.)	1,194	1,375	1,514	198	159	123	162	120	129	—
Mill grnd (mil. bu.)	622	630	643	55	50	49	50	52	56	—
Wheat flour production (mil. cwt.)	278	283	290	24	22	22	22	23	25	—

	Marketing year ¹			1981				1982		
	1978/79	1979/80	1980/81	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept p
Wheat:										
Stocks, beginning (mil. bu.)	1,178	924	902	1,903	1,329	989	2,734	2,176	1,557	1,163
Domestic use:										
Food (mil. bu.)	592	596	611	150	96	202	159	151	87	—
Feed and seed (mil. bu.) ⁴	245	187	165	24	20	225	.28	27	25	—
Exports (mil. bu.)	1,194	1,375	1,514	400	224	622	427	441	282	—

¹ Beginning June 1 for wheat and August 1 for rice. ² Ordinary protein. ³ Long-grain, milled basis. ⁴ Feed use approximated by residual. p = preliminary.

Vegetables

	Annual			1981	1982					
	1979	1980	1981	Sept	Apr	May	June	July	Aug	Sept
Wholesale prices:										
Potatoes, white, f.o.b. East (\$/cwt.) . . .	4.54	6.32	9.39	6.75	7.27	7.99	10.56	6.30	4.57	4.45
Iceberg lettuce (\$/crt.) ¹	5.10	4.25	5.27	5.90	8.09	4.78	4.18	5.26	3.68	3.79
Tomatoes (\$/crt.) ²	7.86	7.57	9.06	5.90	5.22	7.76	10.20	6.09	4.43	4.65
Wholesale Price Index, 10 canned										
veg. (1967=100)	191	200	235	242	241	242	243	242	242	234
Grower Price Index, fresh commercial										
veg. (1977=100)	109	110	135	112	123	112	116	112	96	88

¹ Std. carton 24's f.o.b. shipping point. ² 5 x 6-6 x 6, f.o.b. Fla-Cal.

Sugar

	Annual			1981	1982					
	1979	1980	1981	Sept	Apr	May	June	July	Aug	Sept
U.S. raw sugar price, N.Y. (cts./lb.)¹ . . .	15.56	30.11	19.73	15.49	17.89	19.57	21.03	22.15	22.45	20.88
U.S. deliveries (thou. short tons)^{2,3} . . .	10,714	10,149	9,731	985	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

¹ Spot price reported by N.Y. Coffee and Sugar Exchange. Reporting resumed in mid August 1979 after being suspended November 3, 1977. ² Raw value. ³ Excludes Hawaii. n.a. = not available.

Tobacco

	Annual			1981	1982					
	1979	1980	1981	Sept	Apr	May	June	July	Aug	Sept
Prices at auctions:										
Flue-cured (cts./lb.) ¹	140.0	144.5	166.4	172.0	—	—	—	151.5	178.0	185.5
Burley (cts./lb.) ¹	145.2	165.9	180.6	—	—	—	—	—	—	—
Domestic consumption²										
Cigarettes (bil.)	814.0	620.7	641.5	58.2	48.4	48.2	60.6	49.2	n.a.	n.a.
Large cigars (mil.)	4,298	3,994	3,920	367.8	300.7	317.2	348.6	268.4	n.a.	n.a.

¹ Crop year July-June for flue-cured, October-September for burley. ² Taxable removals. n.a. = not available.

Coffee

	Annual			1981	1982					
	1979	1980	1981	Sept	Apr	May	June	July	Aug p	Sept p
Composite green price, N.Y. (cts./lb.) . . .	169.50	157.78	122.10	112.53	131.81	128.49	129.07	125.11	126.50	129.49
Imports, green bean equivalent (mil.lb.)¹ .	2,656	2,466	2,248	163	154	199	185	173	217	200 F
	Annual			1981				1982		
	1979	1980	1981	Jan-Mar	Apr-June	July-Sept	Oct-Dec	Jan-Mar	Apr-June	July-Sept p
Roastings (mil. lb.)²	2,249	2,255	2,324	827	524	516	657	585	498	536

¹ Green and processed coffee. ² Instant soluble and roasted coffee. F = Forecast. p = preliminary.

Fats and oils

	Marketing year ¹			1981		1982				
	1978/79	1979/80	1980/81	Sept	Apr	May	June	July	Aug	Sept
Soybeans:										
Wholesale price, No. 1 yellow, Chicago (\$/bu.)	7.09	6.46	7.59	6.50	² 6.48	6.56	6.27	6.18	5.42	—
Crushings (mil. bu.)	1,017.8	1,123.0	1,020.5	75.4	81.0	86.6	77.1	70.6	67.8	—
Exports (mil. bu.)	753.0	875.0	724.3	50.9	85.7	90.6	59.8	53.8	57.5	—
Soybean oil:										
Wholesale price, crude, Decatur (cts./lb.)	27.2	24.3	22.5	19.4	19.7	20.6	19.4	19.0	17.9	17.4
Production (mil. lb.)	11,323.4	12,105.3	11,270.2	855.6	866.8	930.2	828.4	765.6	732.0	—
Domestic disappearance (mil. lb.)	8,941.7	8,980.7	9,115.6	795.7	748.0	920.9	748.6	737.4	733.9	—
Exports (mil. lb.)	2,334.0	2,690.0	1,626.6	106.9	148.5	103.3	208.0	270.2	237.4	—
Stocks, beginning (mil. lb.)	729.0	776.0	1,210.2	1,783.1	2,141.4	2,111.6	2,017.7	1,889.4	1,647.4	1,408.0
Soybean meal:										
Wholesale price, 44% protein, Decatur (\$/ton)	190.06	181.91	218.18	190.00	190.3	192.4	183.6	181.9	169.0	—
Production (thou. ton)	24,354.4	27,105.1	24,312.1	1,820.6	1,930.5	2,066.0	1,844.3	1,684.4	1,619.6	—
Domestic disappearance (thou. ton)	17,720.1	19,215.0	17,596.8	1,594.4	1,269.5	1,285.0	1,471.0	1,353.6	1,292.3	—
Exports (thou. ton)	6,609.8	7,931.9	6,778.2	297.3	679.2	643.8	457.7	346.6	346.7	—
Stocks, beginning (thou. ton)	243.0	267.4	225.6	233.8	190.3	172.1	309.3	224.9	209.1	189.7
Margarine, wholesale price, Chicago (cts./lb.)	43.5	50.3	47.0	40.8	41.0	42.2	42.5	42.4	41.7	41.3

¹ Beginning September 1 for soybeans; October 1 for soy meal and oil; calendar year for margarine. ² Beginning April 1, 1982 prices based on 30 day delivery, using upper end of the range.

Cotton

	Marketing year ¹			1981		1982				
	1978/79	1979/80	1980/81	Sept	Apr	May	June	July	Aug	Sept
U.S. price, SLM, 1-1/16 in. (cts./lb.) ¹	61.6	71.5	83.0	60.8	62.0	62.4	61.1	65.0	60.4	59.0
Northern Europe prices:										
Index (cts./lb.) ²	n.a.	n.a.	93.3	77.0	71.5	76.7	75.6	78.5	76.4	72.7
U.S. M 1-3/32" (cts./lb.) ⁴	n.a.	n.a.	n.a.	77.6	77.4	78.9	75.4	80.6	77.1	74.0
U.S. mill consumption (thou. bales)	6,434.8	6,463.0	5,870.5	539.8	431.2	411.4	479.6	330.9	404.2	—
Exports (thou. bales)	6,180.2	9,228.9	5,925.8	221.3	709.7	509.1	523.2	416.8	359.8	—

¹ Beginning August 1. ² Average spot market. ³ Liverpool Outlook "A" index; average of five lowest priced of 10 selected growths. ⁴ Memphis territory growths. n.a. = not available.

Fruit

	Annual			1981		1982				
	1979	1980	1981	Sept	Apr	May	June	July	Aug	Sept
Wholesale price indexes:										
Fresh fruit (1967=100)	230.4	237.3	226.7	237.9	243.2	244.7	221.1	215.4	247.6	237.9
Dried fruit (1967=100)	479.6	399.2	405.9	408.7	410.0	407.2	407.2	407.2	407.2	408.9
Canned fruit and juice (1967=100)	240.2	256.4	273.8	278.8	284.3	284.1	287.1	285.1	283.8	281.2
Frozen fruit and juice (1967=100)	248.5	244.3	302.8	318.0	313.2	306.4	302.3	302.7	301.3	301.9
F.o.b. shipping point prices:										
Apples, Yakima Valley (\$/ctn.) ¹	n.a.	n.a.	n.a.	15.23	² 14.09	³ 14.63	³ 15.55	³ 13.43	³ 10.15	12.40
Pears, Medford, Or. (\$/box) ²	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Oranges, U.S. avg. (\$/box)	12.50	9.58	11.00	12.60	13.70	16.20	16.90	18.30	18.80	26.20
Grapefruit, U.S. avg. (\$/box)	8.00	8.50	10.10	12.40	9.11	9.39	9.94	11.60	9.91	9.30
	Year Ending			1981				1982		
	1979	1980	1981	Mar	June	Sept	Dec	Mar	June	Sept
Stocks, ending:										
Fresh apples (mil. lb.)	2,624.5	2,790.2	3,244.6	1,486.1	184.9	1,424.6	2,676.0	1,055.2	276.9	1,497.7
Fresh pears (mil. lb.)	195.3	157.6	205.0	73.8	n.a.	516.9	207.9	72.1	n.a.	466.3
Frozen fruit (mil. lb.)	517.9	563.3	579.5	450.9	406.1	563.1	520.6	374.5	345.5	586.8
Frozen fruit juices (mil. lb.)	714.0	733.1	1,008.4	1,513.9	1,866.8	1,341.3	1,127.2	1,765.8	1,850.6	1,212.1

¹ Red Delicious, Washington extra fancy, carton tray pack. 80-113's. ² O'Anjou pears, Medford, or wrapped, U.S. No. 1, 100-135's. ³ Control atmosphere storage. n.a. = not available.

Supply and Utilization: Crops

Supply and utilization: domestic measure¹

	Area		Yield	Production	Total Supply ²	Feed and Residual	Other domestic use	Exports	Total use	Ending stocks	Farm price ³
	Planted	Harvested									
	Mil. acres	Bu/acre									
Wheat:											
1978/79	66.0	56.5	31.4	1,776	2,955	158	679	1,194	2,031	924	2.97
1979/80	71.4	62.5	34.2	2,134	3,060	86	697	1,375	2,158	902	3.78
1980/81*	80.6	71.0	33.4	2,974	3,279	51	725	1,514	2,290	989	3.91
1981/82*	88.9	80.9	34.5	2,793	3,785	141	712	1,773	2,626	1,159	3.65
1982/83*	87.2	79.0	35.6	2,811	3,972	125	715	1,700	2,540	1,432	3.40-3.56
Rice:											
	Mil. acres	lb/acre					Mil. cwt. (rough equiv.)				c/lb.
1978/79	2.99	2.97	4,484	133.2	160.7	74.2	49.2	75.7	129.1	31.8	8.16
1979/80	2.89	2.87	4,599	131.9	163.6	76.1	49.2	82.6	137.9	25.7	10.50
1980/81*	3.38	3.31	4,413	146.2	172.1	79.7	54.5	91.4	155.6	16.5	12.80
1981/82*	3.84	3.80	4,873	185.4	202.2	711.8	59.4	82.1	153.3	48.9	9.25
1982/83*	3.32	3.29	4,760	156.4	205.7	710.0	62.5	82.7	155.2	50.5	7.50-8.75
Corn:											
	Mil. acres	Bu/acre									
1978/79	81.7	71.9	101.0	7,268	8,380	4,323	620	2,133	7,076	1,304	2.25
1979/80	81.4	72.4	109.7	7,939	9,244	4,519	675	2,433	7,627	1,617	2.52
1980/81*	84.0	73.0	91.0	6,645	8,263	4,139	735	2,355	7,229	1,034	3.11
1981/82*	84.2	74.6	109.9	8,201	9,236	4,300	785	1,980	7,065	2,171	2.45
1982/83*	81.9	73.0	114.2	8,315	10,487	4,400	850	2,250	7,500	2,987	2.30-2.45
Sorghum:											
	Mil. acres	Bu/acre									
1978/79	16.2	13.4	54.5	731	922	545	11	207	762	160	2.01
1979/80	15.3	12.9	62.7	809	969	484	13	325	822	147	2.34
1980/81*	15.6	12.5	46.3	579	726	307	11	299	617	109	2.94
1981/82*	16.0	13.7	64.1	880	989	420	11	245	676	313	2.25
1982/83*	15.8	13.8	59.5	821	1,134	430	11	275	716	418	2.20-2.40
Barley:											
	Mil. acres	Bu/acre									
1978/79	10.0	9.2	49.2	455	638	217	167	26	410	228	1.92
1979/80	8.1	7.5	50.9	383	623	204	172	55	431	192	2.29
1980/81*	8.3	7.3	49.6	361	563	174	175	77	426	137	2.85
1981/82*	9.7	9.2	52.3	478	825	201	175	100	476	149	2.50
1982/83*	9.6	9.2	56.2	516	675	215	177	75	467	208	2.15-2.30
Oats:											
	Mil. acres	Bu/acre									
1978/79	16.4	11.1	52.3	582	896	526	77	13	616	280	1.20
1979/80	14.0	9.7	54.4	527	808	492	76	4	572	236	1.36
1980/81*	13.4	8.7	53.0	458	696	432	74	13	519	177	1.79
1981/82*	13.6	9.4	54.0	508	686	452	75	7	534	152	1.90
1982/83*	14.2	10.4	57.7	599	752	460	75	10	545	207	1.50-1.65
Soybeans:											
	Mil. acres	Bu/acre									
1978/79	64.7	63.7	29.4	1,869	2,030	499	1,018	739	1,856	174	6.66
1979/80	71.6	70.6	32.1	2,268	2,442	485	1,123	875	2,083	359	6.28
1980/81*	70.0	67.9	26.4	1,792	2,151	488	1,020	724	1,833	318	7.57
1981/82*	68.0	66.4	30.1	2,000	2,318	491	1,030	929	2,050	268	6.05
1982/83*	72.3	70.9	32.4	2,300	2,568	488	1,090	960	2,138	430	5.25-6.00
Soybean oil:											
1978/79	—	—	—	11,323	12,052	—	8,942	2,334	11,276	776	27.2
1979/80	—	—	—	12,105	12,881	—	8,981	2,690	11,671	1,210	24.3
1980/81*	—	—	—	11,270	12,480	—	9,115	1,629	10,744	1,736	22.7
1981/82*	—	—	—	10,984	12,700	—	9,450	2,100	11,550	1,150	19.0
1982/83*	—	—	—	11,880	13,030	—	9,750	2,150	11,900	1,130	16.0-20.0
Soybean meal:											
1978/79	—	—	—	24,354	24,597	—	17,720	6,610	24,330	267	190.1
1979/80	—	—	—	27,105	27,372	—	19,214	7,932	27,146	226	181.9
1980/81*	—	—	—	25,312	24,538	—	17,597	6,778	24,375	163	218.2
1981/82*	—	—	—	24,567	24,730	—	17,485	7,000	24,485	245	183
1982/83*	—	—	—	26,000	26,245	—	18,100	7,850	25,950	295	150-175

See footnotes at end of table.

Supply and utilization—domestic measure, continued

	Area		Yield	Production	Total Supply ²	Feed and Residual	Other domestic use	Exports	Total use	Ending stocks	Farm price ³
	Planted	Harvested									
	Mil. acres		lb/acre								c/lb
Cotton:											
1978/79	13.4	12.4	420	10.9	16.2	—	6.4	6.2	12.5	4.0	\$58.4
1979/80	14.0	12.8	547	14.6	18.6	—	6.5	9.2	15.7	3.0	\$62.5
1980/81*	14.5	13.2	404	11.1	14.1	—	5.9	5.9	11.8	2.7	\$74.7
1981/82*	14.3	13.8	543	15.6	18.3	—	5.3	6.6	11.8	6.6	—
1982/83*	11.5	9.3	587	11.4	18.0	—	5.6	6.0	11.6	6.6	—

Supply and utilization—metric measure⁶

	Mil. hectares		Metric tons/ha			Mil. metric tons					\$/metric ton
Wheat:											
1978/79	26.7	22.9	2.11	48.3	80.4	4.3	18.5	32.5	55.3	25.1	109
1979/80	28.9	25.3	2.30	58.1	83.3	2.3	19.0	37.4	58.7	24.5	139
1980/81*	32.6	28.7	2.25	64.6	89.2	1.4	19.7	41.2	62.3	26.9	144
1981/82*	36.0	32.7	2.32	76.0	103.0	3.8	19.4	48.3	71.5	31.5	134
1982/83*	35.3	32.0	2.36	76.5	108.1	3.4	19.5	46.3	69.1	39.0	125-130

Mil. metric tons (rough equiv.)

Rice:											
1978/79	1.2	1.2	5.03	6.0	7.3	70.2	2.3	3.4	5.9	1.4	180
1979/80	1.2	1.2	5.15	6.0	7.4	70.3	2.2	3.7	6.2	1.2	231
1980/81*	1.4	1.3	4.95	6.6	7.8	70.4	2.5	4.2	7.1	0.7	282
1981/82*	1.6	1.5	5.46	8.4	9.2	70.6	2.7	3.7	7.0	2.2	204
1982/83*	1.3	1.3	5.39	7.1	9.3	70.4	2.8	3.8	7.0	2.3	165-193

Mil. metric tons

Corn:											
1978/79	33.1	29.1	6.34	184.6	212.8	109.8	15.7	54.2	179.7	33.1	89
1979/80	32.9	29.3	6.88	201.6	234.8	114.8	17.1	61.8	193.7	41.1	99
1980/81*	34.0	29.5	5.72	168.8	209.9	105.1	18.7	59.8	183.6	26.3	122
1981/82*	34.1	30.2	6.90	208.3	234.6	109.2	19.9	50.3	179.4	55.1	96
1982/83*	33.1	29.5	7.16	211.2	266.4	111.8	21.6	57.2	190.5	75.9	91-98

Feed Grain:											
1978/79	50.3	42.7	5.19	221.5	263.2	135.9	20.9	60.2	217.0	46.2	—
1979/80	48.1	41.5	5.74	238.2	284.7	138.7	22.3	71.3	232.3	52.4	—
1980/81*	49.1	41.1	4.82	198.0	250.7	123.0	23.8	69.3	216.1	34.6	—
1981/82*	50.0	43.3	5.74	248.4	283.3	130.8	25.1	58.8	214.7	68.5	—
1982/83*	49.2	43.1	5.85	252.0	320.8	134.0	26.8	65.9	226.8	94.0	—

Soybeans:											
1978/79	26.2	25.8	1.98	50.9	55.3	42.7	27.7	20.1	50.6	4.7	245
1979/80	29.0	28.6	2.16	61.7	66.5	42.3	30.6	23.8	56.7	9.8	231
1980/81*	28.4	27.5	1.78	48.8	58.5	42.4	27.8	19.7	49.9	8.7	278
1981/82*	27.7	27.0	2.05	54.4	63.9	43.2	28.0	25.3	56.5	7.3	222
1982/83*	—	—	—	62.6	70.0	42.5	29.7	26.1	58.3	11.7	193-205

Soybean oil:											
1978/79	—	—	—	5.14	5.47	—	4.06	1.06	5.12	.35	597
1979/80	—	—	—	5.49	5.84	—	4.07	1.22	5.29	.55	536
1980/81*	—	—	—	5.11	5.66	—	4.14	.74	4.88	.79	500
1981/82*	—	—	—	4.97	5.76	—	4.29	.95	5.24	.52	419
1982/83*	—	—	—	5.39	5.91	—	4.42	.98	5.40	.51	353-441

Soybean meal:											
1978/79	—	—	—	22.09	22.31	—	16.08	6.00	22.08	.24	209
1979/80	—	—	—	24.59	24.83	—	17.43	7.20	24.63	.20	201
1980/81*	—	—	—	22.06	22.26	—	15.96	6.15	22.11	.15	241
1981/82*	—	—	—	22.28	22.29	—	15.86	6.35	22.21	.22	202
1982/83*	—	—	—	23.59	23.81	—	16.42	7.12	23.54	.27	165-193

\$/kg

Cotton:											
1978/79	5.4	5.0	.47	2.36	3.53	—	1.39	1.35	2.72	.87	\$1.29
1979/80	5.7	5.2	.61	3.19	4.05	—	1.42	2.00	3.42	.65	\$1.38
1980/81*	5.9	5.4	.45	2.42	3.07	—	1.28	1.28	2.57	.59	\$1.65
1981/82*	5.8	5.6	.61	3.41	3.99	—	1.15	1.44	2.57	1.44	—
1982/83*	4.7	3.8	.66	2.47	3.92	—	1.22	1.31	2.53	1.44	—

October 13, 1982 Supply and Demand Estimates. ¹Marketing year beginning June 1 for wheat, barley, and oats, August 1 for cotton and rice, September 1 for soybeans, and October 1 for corn, sorghum, soybean meal, and soybean oil. ²Includes imports. ³Season average. ⁴Includes seed. ⁵Upland and extra long staple. Stock estimates based on Census Bureau data which results in an unaccounted difference between supply and use estimates and changes in ending stocks. ⁶Conversion factors: Hectare (ha.) = 2.471 acres, 1 metric ton = 2204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 49.9296 bushels of barley, 69.8944 bushels of oats, 22.046 cwt. of rice, and 4.59 480-pound bales of cotton. ⁷Statistical discrepancy.

General Economic Data

Gross national product and related data

	Annual			1981			1982		
	1979	1980	1981	II	III	IV	I	II	III P
\$ Bil. (Quarterly data seasonally adjusted at annual rates)									
Gross national product¹	2,417.8	2,633.1	2,937.7	2,901.8	2,980.9	3,003.2	2,995.5	3,045.2	3,091.4
Personal consumption									
expenditures	1,507.2	1,667.2	1,843.2	1,819.4	1,868.8	1,884.5	1,919.4	1,947.8	1,989.5
Durable goods	213.4	214.3	234.5	230.4	241.2	229.6	237.9	240.7	240.6
Nondurable goods	600.0	670.4	734.5	729.6	741.3	746.5	749.1	755.0	770.8
Clothing and shoes	99.1	104.7	114.6	114.0	115.9	116.0	117.5	118.4	119.6
Food and beverages	311.6	343.7	375.3	372.1	378.0	382.3	387.9	395.0	402.3
Services	693.7	782.5	874.1	859.4	886.3	908.3	932.4	952.1	978.1
Gross private domestic									
Investment	423.0	402.3	471.5	475.5	486.0	468.9	414.8	431.5	438.5
Fixed investment	408.8	412.4	451.1	450.9	454.2	455.7	450.4	447.7	439.0
Nonresidential	290.2	309.2	346.1	341.3	353.0	360.2	357.0	352.2	341.6
Residential	118.6	103.2	104.9	109.5	101.2	95.5	93.4	95.5	97.4
Change in business inventories	14.3	-10.0	20.5	24.6	31.8	13.2	-35.6	-16.2	-5
Net exports of goods and services	13.2	25.2	26.1	23.7	25.9	23.5	31.3	34.9	13.2
Exports	281.4	339.2	367.3	368.9	367.2	367.9	359.9	365.8	356.6
Imports	268.1	314.0	341.3	345.1	341.3	344.4	328.6	330.9	343.4
Government purchases of									
goods and services	474.4	538.4	596.9	583.2	600.2	626.3	630.1	630.9	650.2
Federal	168.3	197.2	228.9	218.2	230.0	250.5	249.7	244.3	257.5
State and local	306.0	341.2	368.0	365.0	370.1	375.7	380.4	386.6	392.6
1972 \$Bil. (Quarterly data seasonally adjusted at annual rates)									
Gross national product	1,479.4	1,474.0	1,502.6	1,502.2	1,510.4	1,490.1	1,470.7	1,478.4	1,481.2
Personal consumption									
expenditures	927.6	930.5	947.6	944.6	951.4	943.4	949.1	955.0	958.4
Durable goods	147.2	137.1	140.0	138.6	142.2	134.1	137.5	138.3	136.8
Nondurable goods	353.1	355.8	362.4	361.7	363.0	363.1	362.2	364.5	366.9
Clothing and shoes	76.7	78.0	82.7	82.6	83.1	83.0	83.8	84.0	84.3
Food and beverages	176.1	180.2	181.4	181.3	180.9	182.0	181.7	183.0	185.4
Services	427.3	437.6	445.2	444.3	446.2	446.2	449.5	452.2	454.6
Gross private domestic investment	236.3	208.4	225.8	229.5	233.4	218.9	195.4	202.3	202.1
Fixed investment	229.1	213.3	216.9	217.4	216.9	214.1	210.8	206.7	201.4
Nonresidential	169.9	166.1	172.0	170.1	173.9	174.2	172.0	166.7	161.0
Residential	59.1	47.2	44.9	47.3	42.9	39.9	38.9	40.1	40.5
Change in business inventories	7.3	-5.0	9.0	12.1	16.5	4.8	-15.4	-4.4	.7
Net exports of goods and services	37.2	50.6	42.0	44.2	39.2	36.5	36.9	35.7	30.7
Exports	146.2	159.2	158.5	159.7	157.8	156.9	151.7	154.4	150.2
Imports	109.0	108.6	116.4	115.5	118.7	120.4	114.7	118.7	119.6
Government purchases of									
goods and services	278.3	284.6	287.1	283.9	286.4	291.3	289.2	285.3	290.0
Federal	102.1	106.5	110.4	107.0	110.7	116.0	114.4	110.3	115.3
State and local	176.2	178.1	176.7	176.9	175.7	175.3	174.9	175.0	174.7
New plant and equipment expenditures (\$bil.)	270.46	295.63	321.49	316.73	328.25	327.83	327.72	323.22	320.24
Implicit price deflator for GNP (1972=100)	163.42	178.64	195.51	193.17	197.36	201.55	203.68	205.98	208.71
Disposable income (\$bil.)	1,650.2	1,824.1	2,029.1	1,996.5	2,060.0	2,101.4	2,117.1	2,151.5	2,202.3
Disposable income (1972 \$bil.)	1,015.7	1,018.0	1,043.1	1,036.6	1,048.8	1,051.9	1,046.9	1,054.8	1,060.9
Per capita disposable income (\$)	7,331	8,012	8,827	8,698	8,951	9,107	9,155	9,285	9,480
Per capita disposable income (1972 \$)	4,512	4,472	4,538	4,516	4,557	4,559	4,527	4,552	4,566
U.S. population, tot, incl. military abroad (mil.)*	225.1	227.7	229.9	229.5	230.1	230.8	231.2	231.7	232.2
Civilian population (mil.)*	223.0	225.6	227.7	227.4	228.0	228.6	229.1	229.5	230.0

See footnotes at end of next table.

Selected monthly indicators

	Annual			1981		1982				
	1979	1980	1981 p	Sept	Apr	May	June	July	Aug	Sept p
Monthly data seasonally adjusted except as noted										
Industrial production, total ² (1967=100)	152.5	147.0	151.0	151.6	140.2	139.2	138.7	138.8	138.1	137.3
Manufacturing (1967=100)	153.6	146.7	150.4	151.1	138.7	137.9	137.7	138.2	137.7	136.9
Durable (1967=100)	146.4	136.7	140.5	140.9	126.7	126.1	125.5	125.9	124.3	122.8
Nondurable (1967=100)	164.0	161.2	164.8	165.9	156.1	155.0	155.3	155.9	156.9	157.4
Leading economic indicators ³ (1967=100)	140.1	131.2	133.1	130.7	126.6	127.7	128.4	129.9	129.7	130.4
Employment ⁴ (Mil. persons)*	96.9	97.3	100.4	100.3	99.3	100.1	99.8	99.7	99.8	99.7
Unemployment rate ⁴ (%)	5.8	7.1	7.6	7.6	9.4	9.5	9.5	9.8	9.8	10.1
Personal income ¹ (\$ bil. annual rate)	1,951.2	2,160.4	2,415.8	2,478.6	2,535.5	2,556.2	2,566.3	2,591.6	2,597.1	2,604.7
Hourly earnings in manufacturing ¹ (\$)	6.70	7.27	7.99	8.16	8.42	8.45	8.50	8.55	8.51	8.59
Money stock-M1 (daily avg.) (\$bil.) ⁵	6389.0	6414.6	6440.9	431.2	452.4	451.5	451.4	451.3	455.2	460.7
Money stock-M2 (daily avg.) (\$bil.) ⁵	61,518.9	61,656.1	61,822.7	1,778.3	1,880.7	1,897.5	1,907.9	1,923.4	1,946.2	1,954.8
Three-month Treasury bill rate ² (%)	10.041	11.506	14.077	14.951	12.821	12.148	12.108	11.914	9.006	8.196
Aaa corporate bond yield (Moody's) ⁶ (%)	9.63	11.94	14.17	15.49	14.46	14.26	14.81	14.61	13.71	12.94
Interest rate on new home mortgages ⁷ (%)	10.78	12.66	14.70	15.29	15.84	15.89	15.40	15.70	15.68	14.99
Housing starts, private (incl. farm) (thou.)	1,745.1	1,292.2	1,084.2	899	882	1,066	908	1,193	1,002	1,146
Auto sales at retail, total ¹ (mil.)	10.6	9.0	8.5	8.8	7.3	8.2	7.0	7.4	7.8	8.3
Business sales, total ¹ (\$ bil.)	294.6	321.5	350.6	354.5	339.6	349.1	346.1	344.6	339.1p	—
Business inventories, total ¹ (\$ bil.)	423.8	464.9	497.2	510.1	515.1	510.5	513.0	513.4	515.6p	—
Sales of all retail stores (\$ bil.) ⁹	74.5	79.3	86.6	87.8	88.3	90.8	88.0	89.4	88.6p	89.5
Durable goods stores (\$ bil.)	25.4	24.7	27.2	27.8	28.0	29.4	27.2	27.4	26.6p	27.2
Nondurable goods stores (\$ bil.)	49.1	54.6	59.4	60.0	60.3	61.4	60.9	62.0	62.0p	62.3
Food stores (\$ bil.)	16.3	18.1	19.8	20.1	20.6	21.0	20.6	21.0	21.2p	21.1
Eating and drinking places (\$ bil.)	6.6	7.2	7.9	8.0	8.4	8.5	8.5	8.7	8.7p	8.8
Apparel and accessory stores (\$ bil.)	3.5	3.7	4.0	4.0	4.0	4.2	4.0	4.2	4.1p	4.2

¹ Department of Commerce. ² Board of Governors of the Federal Reserve System. ³ Composite Index of 12 leading indicators. ⁴ Department of Labor, Bureau of Labor Statistics. ⁵ Not seasonally adjusted. ⁶ December of the year listed. ⁷ Moody's Investors Service. ⁸ Federal Home Loan Bank Board. ⁹ Adjusted for seasonal variations, holidays, and trading day differences. p = preliminary. * Data for 1981 have been revised based on 1980 census population count.

U.S. Agricultural Trade

Prices of principal U.S. agricultural trade products

	Annual			1981		1982				
	1979	1980	1981	Sept	Apr	May	June	July	Aug	Sept
Export commodities:										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.)	4.45	4.78	4.80	4.72	4.65	4.56	4.14	4.15	4.20	4.23
Corn, f.o.b. vessel, Gulf ports (\$/bu.)	3.01	3.28	3.40	3.03	3.05	3.04	2.97	2.87	2.68	2.60
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.)	2.85	3.38	3.28	2.89	2.98	3.03	2.90	2.67	2.66	2.52
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.)	7.59	7.39	7.40	7.02	6.81	6.92	6.56	6.55	6.15	5.82
Soybean oil, Decatur (cts./lb.)	27.59	23.63	21.07	19.14	19.52	20.54	19.36	19.03	17.82	17.39
Soybean meal, Decatur (\$/ton)	191.08	196.47	218.65	189.60	190.67	192.00	183.89	180.69	168.57	161.76
Cotton, 10 market avg. spot (cts./lb.)	61.81	81.13	71.93	60.81	62.02	62.44	61.10	64.96	60.38	59.03
Tobacco, avg. Price of auction (cts./lb.)	132.15	142.29	156.48	166.98	168.94	168.94	169.51	161.00	175.49	179.98
Rice, f.o.b. mill, Houston (\$/cwt.)	20.25	21.89	25.63	24.85	19.00	19.00	18.79	17.75	18.25	18.73
Inedible tallow, Chicago (cts./lb.)	23.45	18.52	15.27	14.50	14.44	14.50	14.31	13.63	11.95	11.44
Import commodities:										
Coffee, N.Y. spot (\$/lb.)	1.74	1.64	1.27	1.14	1.41	1.39	1.41	1.40	1.38	1.36
Sugar, N.Y. spot (cts./lb.)	15.61	30.10	19.73	15.49	17.9	19.57	21.03	22.15	22.42	20.88
Rubber, N.Y. spot (cts./lb.)	64.57	73.80	56.79	50.19	45.83	46.04	46.33	46.77	46.43	44.74
Cocoa beans, N.Y. (\$/lb.)	1.44	1.14	.90	1.01	.75	.73	.66	.66	.66	.72
Bananas, f.o.b. port of entry (\$/40-lb. box)	5.91	6.89	7.28	7.89	8.64	7.95	7.25	5.94	5.49	6.31

n.a. = not available.

U.S. agricultural exports

	October-August				August			
	1980/81	1981/82	1980/81	1981/82	1981	1982	1981	1982
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live, excluding poultry.	—	—	172,024	226,438	—	—	16,213	52,386
Meat and preps., excluding poultry (mt).	402	407	918,828	910,942	31	31	68,498	69,563
Dairy products, excluding eggs	—	—	213,007	346,731	—	—	24,524	25,630
Poultry and poultry products	—	—	710,511	540,693	—	—	64,926	32,749
Grains and preparations	—	—	18,634,983	15,057,506	—	—	1,475,515	1,102,521
Wheat and wheat flour (mt)	37,862	41,884	7,069,592	7,050,774	4,027	3,453	686,942	535,800
Rice, milled (mt)	1,692	1,968	837,736	861,779	129	272	71,841	99,074
Feed grains, excluding products (mt)	64,153	54,513	9,763,151	6,597,299	4,627	3,623	647,624	409,614
Other	—	—	964,504	547,654	—	—	69,108	58,033
Fruits, nuts, and preparations	—	—	1,846,020	1,652,639	—	—	143,180	136,732
Vegetables and preparations	—	—	1,342,155	1,375,190	—	—	66,651	60,149
Sugar & preps., including honey	—	—	673,932	166,111	—	—	67,597	5,303
Coffee, tea, cocoa, spices, etc. (mt)	47	46	212,725	195,493	3	3	15,024	13,540
Feeds and fodders	—	—	2,586,465	2,415,711	—	—	173,861	142,304
Protein meal (mt)	6,288	6,332	1,600,133	1,448,795	414	320	98,108	72,610
Beverages, excl. distilled alcohol (Lit.)	100,919	58,214	50,618	30,982	4,579	4,832	2,207	2,445
Tobacco, unmanufactured (mt)	231	243	1,208,676	1,415,504	13	15	71,691	86,613
Hides, skins, and furskins	—	—	946,325	962,103	—	—	55,766	58,547
Oilseeds	—	—	6,094,540	6,613,572	—	—	344,943	387,917
Soybeans (mt)	18,585	23,899	5,609,375	6,109,168	1,137	1,564	318,302	381,229
Wool, unmanufactured (mt)	3	4	28,477	37,547	(¹)	(¹)	3,938	886
Cotton, unmanufactured (mt)	1,213	1,468	2,164,680	2,048,019	56	85	95,367	111,093
Fats, oils, and greases (mt)	1,428	1,383	697,984	644,390	96	96	46,448	44,195
Vegetable oils and waxes (mt)	1,504	1,496	1,025,723	893,457	203	149	128,656	85,491
Rubber and allied gums (mt)	13	10	24,040	19,292	1	2	1,515	2,545
Other	—	—	1,025,355	1,154,044	—	—	59,739	71,754
Total	—	—	40,577,068	36,706,364	—	—	2,926,259	2,492,363

¹ Less than 500,000.

Trade balance

	October-August		August	
	1980/81	1981/82	1981	1982
	\$ Mil.			
Agricultural exports	40,577	36,706	2,926	2,492
Nonagricultural exports	170,278	162,719	14,530	13,452
Total exports ¹	210,855	199,425	17,456	15,944
Agricultural imports	15,939	14,048	1,310	1,357
Nonagricultural imports	218,912	214,799	21,131	21,439
Total imports ²	234,851	228,847	22,441	22,796
Agricultural trade balance	24,638	22,658	1,616	1,135
Nonagricultural trade balance	-48,634	-52,080	-6,501	-7,987
Total trade balance	-23,996	-29,422	-4,985	-6,852

¹ Domestic exports including Department of Defense shipments (F.A.S. value). ² Imports for consumption (customs value).

U.S. agricultural exports by regions

Region and country ¹	October-August		August		Change from year earlier	
	1980/81	1981/82	1981	1982	October-August	August
	\$ Mil.				percent	
Western Europe	11,103	11,446	776	698	+3	-10
European Community (EC-10)	8,379	8,359	591	495	0	-16
Germany, Fed. Rep.	1,653	1,503	119	73	-9	-39
Greece	206	201	20	16	-2	-20
Italy	1,168	969	108	55	-17	-49
Netherlands	2,984	3,126	182	132	+5	-27
United Kingdom	852	882	66	77	+4	+17
Other Western Europe	2,725	3,087	185	203	+13	+10
Portugal	732	542	57	45	-26	-21
Spain	1,007	1,704	72	114	+69	+58
Eastern Europe	1,941	894	88	43	-54	-51
German Dem. Rep.	348	228	8	(²)	-34	-100
Poland	672	169	39	19	-75	-51
Romania	441	146	10	9	-67	-10
USSR	1,470	2,309	31	(²)	+57	-100
Asia	14,948	13,152	1,182	1,007	-12	-15
West Asia	1,631	1,390	161	108	-15	-33
Iran	185	97	53	(²)	-48	-100
Iraq	141	135	7	14	-4	+100
Israel	343	322	36	40	-6	+11
Saudi Arabia	452	428	35	38	-5	+9
South Asia	464	629	135	80	+36	-41
India	223	280	50	11	+26	-78
Pakistan	132	190	39	37	+44	-5
East and Southeast Asia	12,852	11,133	885	818	-13	-8
China, Mainland	2,041	1,732	143	98	-15	-31
China, Taiwan	1,033	1,089	61	79	+5	+30
Japan	6,293	5,349	441	379	-15	-14
Korea, Rep.	2,012	1,460	140	141	-27	+1
Oceania	187	279	15	15	+49	0
Africa	2,561	2,272	217	185	-11	-15
North Africa	1,401	1,306	89	65	-7	-27
Algeria	254	204	9	1	-20	-89
Egypt	920	835	65	56	-9	-14
Other Africa	1,160	966	128	120	-17	-6
Nigeria	449	498	51	41	+11	-20
Latin America and Caribbean	6,430	4,619	452	404	-28	-11
Brazil	775	540	57	70	-30	+23
Caribbean	742	701	60	66	-6	+10
Central America	353	315	40	34	-11	-15
Mexico	2,581	1,465	136	60	-43	-56
Peru	415	274	25	34	-34	+36
Venezuela	837	715	75	67	-15	-11
Canada	1,937	1,735	166	140	-10	-16
Total³	40,577	36,706	2,926	2,492	-10	-15

¹ Adjusted for transshipments through Canada. ² Less than \$500,000. ³ Regions may not add to totals due to rounding.

U.S. agricultural imports

	October-August				August			
	1980/81	1981/82	1980/81	1981/82	1981	1982	1981	1982
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Live animals, excluding poultry	—	—	311,928	360,755	—	—	20,628	31,594
Meat and preparations, excl. poultry (mt) . . .	823	790	2,037,988	1,787,708	76	106	175,429	231,415
Beef and veal (mt)	604	574	1,481,034	1,213,188	55	82	123,114	168,489
Pork (mt)	188	192	476,808	506,771	19	21	45,289	54,907
Dairy products, excluding eggs	—	—	479,489	534,403	—	—	37,356	59,377
Poultry and poultry products	—	—	87,558	62,356	—	—	9,141	6,231
Grains and preparations	—	—	282,055	323,363	—	—	22,451	30,728
Wheat and flour (mt)	6	9	2,735	2,345	1	2	249	400
Rice (mt)	6	13	3,974	7,724	1	2	528	1,099
Feed grains (mt)	140	243	26,781	41,258	6	15	913	2,328
Other	—	—	248,565	272,036	—	—	20,761	26,901
Fruits, nuts, and preparations	—	—	1,358,630	1,537,042	—	—	122,371	160,138
Bananas, Fresh (mt)	2,250	2,269	459,391	494,428	205	227	41,927	46,644
Vegetables and preparations	—	—	980,358	1,065,421	—	—	159,881	64,430
Sugar and preparations, incl. honey	—	—	2,221,278	1,334,646	—	—	130,951	65,073
Sugar, cane or beet (mt)	3,362	3,379	2,005,667	1,148,726	284	121	117,190	41,564
Coffee, tea, cocoa, spices, etc. (mt)	1,511	1,431	4,043,803	3,456,562	127	149	299,719	354,289
Coffee, green (mt)	918	925	2,635,801	2,373,228	73	96	187,357	249,741
Cocoa beans (mt)	226	178	439,974	305,624	22	21	42,546	29,427
Feeds and fodders	—	—	100,032	99,400	—	—	8,824	8,611
Protein meal (mt)	34	55	7,184	9,092	5	6	901	977
Beverages, incl. distilled alcohol (hl)	9,251	10,124	1,040,170	1,119,371	1,013	1,180	99,270	119,854
Tobacco, unmanufactured (mt)	146	120	329,232	302,891	15	19	36,221	42,392
Hides, skins, and furskins	—	—	259,333	197,930	—	—	18,311	7,122
Oilseeds	—	—	370,659	73,765	—	—	9,532	5,425
Soybeans (mt)	11	7	3,647	1,640	(1)	(1)	134	38
Wool, unmanufactured (mt)	41	38	144,224	138,440	3	2	10,413	8,129
Cotton, unmanufactured (mt)	12	12	9,299	10,691	(1)	1	129	758
Fats, oils, and greases (Lb.)	11	11	8,583	7,756	2	1	987	486
Vegetable oils and waxes (Lb.)	767	678	482,091	395,460	50	87	33,120	46,162
Rubber and allied gums (Lb.)	563	610	695,621	543,419	45	55	50,165	45,762
Other	—	—	696,487	696,376	—	—	65,165	69,080
Total	—	—	15,938,818	14,047,755	—	—	1,310,064	1,357,056

¹ Less than 500,000. Note: 1 metric ton (mt) = 2,204,622 lb; 1 hectoliter (hl) = 100 liters = 26.42008 gal.

World Agricultural Production

World supply and utilization of major crops

	1976/77	1977/78	1978/79	1979/80	1980/81	1981/82 E	1982/83 F
	Mil. units						
Wheat:							
Area (hectare)	233.2	227.1	228.8	228.3	236.1	237.5	234.0
Production (metric ton)	421.3	384.1	446.7	422.8	439.2	453.7	452.9
Exports (metric ton) ¹	63.3	72.8	72.0	86.0	93.7	101.7	99.6
Consumption (metric ton) ²	385.8	399.2	430.0	443.8	444.6	445.3	444.5
Ending stocks (metric ton) ³	99.8	84.4	101.0	80.1	74.7	83.1	91.5
Coarse grains:							
Area (hectare)	343.7	345.1	342.8	341.9	341.3	347.9	342.9
Production (metric ton)	704.2	700.6	753.6	741.0	730.1	770.0	776.4
Exports (metric ton) ¹	82.7	84.0	90.2	100.9	105.5	103.7	101.5
Consumption (metric ton) ²	685.2	692.0	748.1	740.6	741.3	740.3	753.5
Ending stocks (metric ton) ³	77.2	85.7	91.1	91.5	80.2	109.8	132.9
Rice, milled:							
Area (hectare)	141.5	143.3	144.5	143.2	144.0	144.8	144.3
Production (metric ton)	234.1	248.5	260.1	254.3	265.7	276.6	271.3
Exports (metric ton) ⁵	10.5	9.5	11.6	12.7	12.9	12.0	11.9
Consumption (metric ton) ²	235.8	243.4	255.5	258.3	266.9	276.9	274.1
Ending stocks (metric ton) ³	17.5	22.6	27.2	23.1	21.9	21.6	18.7
Total grains:							
Area (hectare)	718.5	715.5	716.0	713.4	721.4	730.6	721.2
Production (metric ton)	1,359.7	1,333.2	1,460.4	1,418.1	1,434.9	1,500.2	1,500.8
Exports (metric ton) ¹	156.4	166.2	173.8	199.6	211.8	217.4	213.0
Consumption (metric ton) ²	1,306.8	1,334.6	1,433.6	1,442.7	1,452.9	1,462.5	1,472.2
Ending stocks (metric ton) ³	194.5	192.7	219.3	194.7	176.8	214.5	243.0
Oilseeds and meals:⁴							
Production (metric ton)	66.7	78.4	83.3	95.2	85.5	91.5	99.9
Trade (metric ton)	33.9	38.8	40.6	46.2	44.1	46.5	47.3
Fats and Oils:⁶							
Production (metric ton)	47.4	52.3	54.7	58.7	56.6	59.2	62.8
Trade (metric ton)	16.9	18.3	19.3	20.8	20.0	21.0	21.2
Cotton:							
Area (hectare)	30.7	32.8	32.4	32.2	32.4	33.4	31.7
Production (bale)	56.7	64.1	60.0	65.5	65.2	71.1	66.9
Exports (bale)	17.6	19.1	19.8	22.7	19.9	20.1	18.8
Consumption (bale)	60.6	60.0	62.4	65.3	65.6	65.8	67.3
Ending stocks (bale)	20.4	25.0	22.1	22.3	22.6	28.0	27.4

E = Estimated. F = Forecast. ¹Excludes Intra-EC trade. ²Where stocks data not available (excluding USSR), consumption includes stock changes. ³Stocks data are based on differing marketing years and do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level. ⁴Soybean meal equivalent. ⁵Calendar Year data. 1975 data corresponds with 1974/75. 1976 data with 1975/76, etc.

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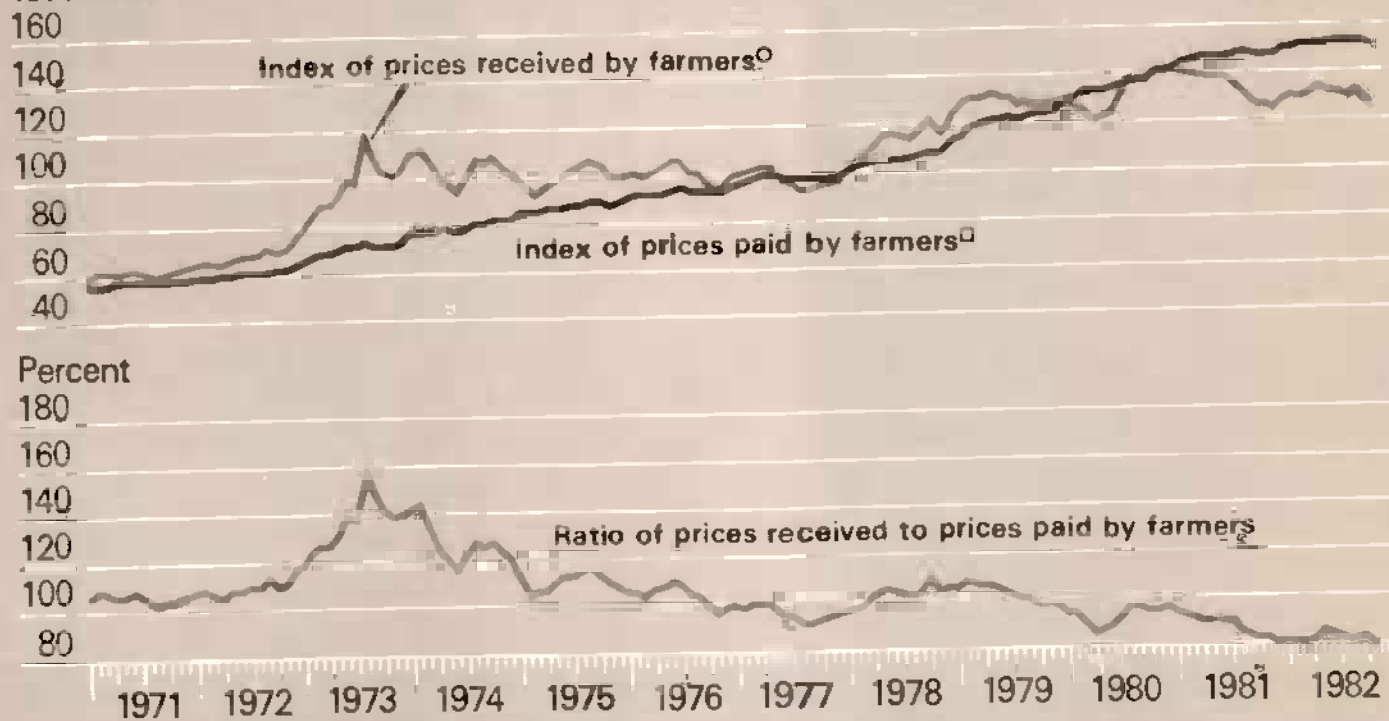
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